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AN INSTITUTIONAL PERSPECTIVE ON TALENT  
MANAGEMENT

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PHD

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An Institutional Perspective on Talent Management:  
Four Case Studies in the Banking and Petroleum Sectors in the Sultanate of  
Oman

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## **Abstract**

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An Institutional Perspective on Talent Management:

Four Case Studies in the Banking and Petroleum Sectors in the Sultanate of Oman

**Key Words:** Banking, Institutional Theory, Middle East, Oman, Petroleum, Omanisation, Inclusive, Exclusive, Talent Management (TM)

Talent Management (TM) is of growing interest within academia and in the strategic HRM literature in particular. Despite many attempts to study TM from different perspectives, it remains an ambiguous and elusive concept that is difficult to define and hence challenging to explore and address. Studies on TM are based within Western contexts and therefore it is questionable whether TM models and theories are transferable to other nations and contexts. This research examines the nature of TM in the Middle Eastern context of Oman, from the perspective of Institutional Theory. Through a qualitative, multiple case-study approach, data was collected from four banking and petroleum-sector organisations through semi-structured interviews. The findings suggest that the different influences of institutional pressures (e.g. nationalisation, competition, organisational characteristics) have significantly shaped TM in these organisations. The findings show that TM effectiveness and sustainability depends upon a range of factors including: generational differences, employee expectations, the role of expatriates and national culture. Thus, TM and its approach has to be understood and framed within the context of institutions which interact with organisational characteristics; this shapes the way in which the organisations define their TM approach in order to seek legitimacy, business continuity and effectiveness.

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## **Dedication**

This PhD thesis is dedicated to the loving memory of my great and lovely parents (Rashid and Fatma AL-Amri) who raised me to love, hope, believe and achieve, but did not live to see this great accomplishment.

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## **List of Abbreviations**

- TM-** Talent Management
- RBV-** Resource Based View
- HRM-** Human Resource Management
- GCC-** Gulf Cooperation Council
- MNCs-** Multi-National Corporations
- MNEs-** Multi-National Enterprises
- MENA-** Middle East North Africa
- GTM-** Global Talent Management
- SHRM-** Strategic Human Resource Management
- SCA-** Sustained Competitive Advantage
- CA-** Competitive Advantage
- HRD-** Human Resource Development
- GDP-** Gross Domestic Product
- RO-** Rail Omani
- CBO-** Central Bank of Oman
- CSR-** Corporate Social Responsibility
- IDP-** Individual Development Plan
- TMD-** Talent Management Development

## **Chapter 1: Introduction**

### **1.0 Introduction**

This chapter presents an overview of the thesis and is divided into six sections. Section 1.1 introduces the concept of Talent Management (TM). Section 1.2 presents the research problem and highlights the research contribution. The aim and the objectives of this research are presented in Section 1.3. An explanation of the significance of this research is discussed in Section 1.4. Section 1.5 describes the design of the research. Section 1.6 provides an overview of the thesis structure.

### **1.1 Research Background**

The CIPD defines Talent Management (TM) as “the systematic attraction, identification, development, engagement, retention and deployment of those individuals of high potential who are of particular value to an organisation; either with respect to their high potential for use in the future, or because they are able to fulfill a critical role within a company’s operations” (CIPD 2007: p.7). In the late 1990s, the battle for talent began as US companies experienced a shortage of senior executives in the labour market. In order to respond to this issue, the McKinsey Consulting Group published a paper in the *McKinsey Quarterly* entitled “The war for talent” in 1997. This attracted the attention of many practitioners and academics who have sought to understand this new phenomenon. In addition to this, this announcement of the war for talent has encouraged organisations to adopt TM systems as part of their Human Resources (HR) offering, in order to gain a competitive advantage in the marketplace.

In recognising the importance of TM as a key theme for organisations seeking to gain this competitive advantage, a number of books and articles have been produced by both academics and practitioners. However, the majority of these studies of TM have focused on the United States of America (USA) as the context, which has in turn has led to an increasing number of academic (Collings and Mellahi 2009; Meyers et al. 2013; Thunnissen et al. 2013a; Sparrow et al. 2014)

who have called for a shift away from this US-centric focus of TM to a much broader context in order to explore and understand the phenomenon of TM in more depth. As a reaction to these calls from academics and practitioners, a number of articles within different contexts have investigated the phenomenon of TM from different perspectives, for example, Poland (Skuzza et al. 2013), China and India (Cooke et al. 2014), the Gulf region (Sidani and Al Ariss 2014), Europe (Sonnenberg et al. 2014), Turkey (Tatoglu et al. 2016).

These studies have demonstrated that TM does need to become more comprehensive and better understood through a further examination within its real-world contexts (Festing et al. 2013; Sparrow et al. 2014; Gallardo-Gallardo et al. 2015), an examination which would subsequently further the understanding of TM in its conceptualisation and operationalisation. For example, although a number of definitions have been developed since the 1990s, the definition of talent management remains ambiguous and most definitions tend to lack rigour and a theoretical and empirical base (Boudreau 2013; Swailes 2013; Gallardo-Gallardo et al. 2015).

## **1.2 Research Problem**

The lack of an empirical base is partly attributed to the problem of defining TM. This section examines the diverse definitions of TM and looks at TM's approaches.

### **1.2.1 TM Definitions and Its Approaches**

Talent Management (TM) still lacks clarity and scope in its definition and therefore requires further investigation (Boudreau 2013; Swailes 2013; Gallardo-Gallardo et al. 2015). For example, Tansley (2011) suggests that the concept of talent is defined as that which corresponds to an above average ability enabling individuals who possess, detect, develop and deploy these attributes to achieve the point of excellent performance. Conversely, Nijs et al. equate the concept of talent to "gifts" and "strengths" that enable the individual to "predict and anticipate" the actions and skills needed to perform excellently on a given task

(2014: p.182). On the other hand, scholars such as Farndale et al. (2010) argue that talent ought to be considered a form of human capital that encompasses a set of applicable competences, as well as knowledge and social and personality attributes that are embodied in the ability to perform with the direct outcome of producing economic value.

Under their own definition of talent, Farndale et al. (2010) relate the concept of talent to the argument proposed by (Lepak and Snell 1999) that human capital can be classified as both an inherent value and as a set of unique qualities. This notion of inherent value refers to the potential of an individual to contribute to the core competences of a given organisation, whereas the notion of uniqueness denotes the extent of difficulty that an organisation has in replacing human capital when faced with key requirements or scarcity within the labour market. As a result, employees who are considered as “human capital”, and who are also rated highly both in their inherent value and in their unique skill sets, are identified as “talented” by an organisation. Lewis and Heckman (2006) suggest that TM has three key streams. First, it is considered as a new brand of HR practice; however, this limits the scope of understanding of TM as it is viewed as part of an HRM framework. The second stream relates to succession planning; however, this is narrow in focus and builds on earlier research based on the more physical planning of manpower, which is more common to older business models. Lastly, the third stream refers to the management of talented employees, which argues that organisations should be filled with “A-class performers” wherever possible.

Building on these acknowledged interpretations of TM, Collings and Mellahi (2009) introduce an additional stream which emphasises the identification of key positions that contribute differentially to the sustainable competitive advantage of a given organisation. While this definition of TM is more strategically oriented towards future business development than is standard HR, Gallardo-Gallardo et al. (2015) argue that there is still a limitation with these definitions in understanding and examining the meaning of talent management as these current definitions are predominantly based on both HR and on the practitioner literature. Nijs et al. (2014) also conclude that the field of TM is lacking in consistent definitions and in a theoretical framework, which in turn further suggests why there has been no consistent definition of talent and TM up to this



point. As a result, Nijs et al. (2014) suggest that, in order to build a strong interpretation of the empirical data on TM, the establishment of formal definitions of talent and talent management is needed. Therefore, if a strong and unified definition is to be constructed, a need for more empirical research will be required to understand better how organisational characteristics (e.g. culture and structure), as well as external factors (e.g. government), influence the conceptualisation and operationalisation of TM within a range of different organisations.

In addition to this gap in the current understanding, there is still an ongoing discussion as to whether TM pertains to the management of all employees (inclusive), or whether it should focus primarily on employees identified as being of high potential (exclusive) (Al Ariss et al. 2014). Due to this current ambiguity, Al Ariss et al. (2014) and Gallardo-Gallardo et al. (2013) argue that the assumptions of selecting an inclusive or exclusive approach in an organisation must be better understood, along with how these inclusive and exclusive approaches impact on TM, and how they are perceived by employees who are considered, or indeed not considered, as “talent” by the organisation. Moreover, the scholars Meyers and van Woerkom (2014) claim that the definition of talent and talent management is in fact determined by the nature of its exclusiveness or inclusiveness when managing talented, or potentially talented, employees.

Due to these claims, Meyers and van Woerkom (2014) suggest that, in order to understand the TM approaches that organisations adopt, it is important to understand the philosophies that underpin these talent qualities, including the fundamental assumptions and the beliefs about talent’s nature, value and instrumentality that are held by a firm’s key decision-makers. Although Sparrow et al. (2014) argue that organisations tend to combine the approaches of inclusivity and exclusivity in managing and developing talent, this argument is still not substantiated by theoretical and empirical research which demonstrates the factors that lead an organisation to favour one of these approaches over the other.

### **1.2.2 Theoretical and Empirical Perspectives**

Furthermore, Thunnissen and Arensbergen (2015) argue that the field of TM requires more empirical research in a variety of different contexts so that its multi-dimensional approach and influence within these contexts can be tested. For example, the influence of stakeholder perspectives and their role in impacting the nature of a TM system should be explored (Thunnissen et al. 2013b; Thunnissen and Arensbergen 2015; Cascio and Boudreau 2016). In addition to gaining a better understanding of the role of these stakeholder perspectives, further research should also explore key relationships within individual, organisational, institutional, and national/international contexts (e.g. norms, values and regulation) that dictate how talent is managed within an organisation (Al Ariss et al. 2014). For example, this could include the perceptions of managers and employees in how their firms manage talent attributes within their roles. In addition to these factors, a closer examination of the intermediary role played by organisations is also necessary, looking at where TM policy and its practice takes place (Dries 2013).

Further, Sparrow, Scullion and Tarique (2014) suggest that research on TM should investigate the key barriers to the implementation of TM within emerging markets as, in these countries, TM is a relatively new concept, practised mainly by MNCs (Multi-National Corporations) and still rarely implemented in domestic organisations.

In addition to this emerging-market focus, there is also a need for research on strategic talent management within a wider range of organisations and industries. In their bibliometric analyses of TM, Gallardo-Gallardo et al. (2015) also conclude that, in order to advance the field of TM, future research on the area would require more diversification in terms of its theoretical framework and methodology, as well as a study of different nations to help the TM field to a more broadly applicable and mature stage of development.

### **1.3 Research Aim and Questions**

Within the current literature related to TM, it is clear that the area still lacks a theoretical and empirical base. Therefore, the primary aim of this research is to examine the nature of Talent Management (TM) within organisations in the banking and petroleum sector based in the Sultanate of Oman and seeks to address the following research questions:

RQ1. What approaches to TM are predominant in petroleum and banking organisations in Oman?

RQ2. How does the external environment shape TM provision?

RQ3. What are the internal organisational context characteristics that influence the effectiveness of TM systems?

RQ4. How do different constituents influence and shape TM systems?

RQ5. How do differences in an organisation's workforce characteristics influence TM system effectiveness?

RQ6. How does the implementation of TM impact upon employee commitment?

Having discussed the aim and the questions of this research, the following section will discuss its relevance and significance.

### **1.4 The Relevance and Significance of this Research**

Having discussed the background to this study, this section provides a rationale for studying the phenomenon of TM within the Omani context. Several factors provide the justification for conducting the research within this context.

First, previous research on TM has indicated that there is an absence of the theoretical and empirical base upon which TM is premised (Collings and Mellahi 2009; Collings and Mellahi 2013; Thunnissen et al. 2013b; Sparrow et al. 2014; Gallardo-Gallardo et al. 2015; Beamond et al. 2016; Cascio and Boudreau 2016).

In their article on MNEs (Multi-National Enterprises) translation of corporate TM strategies to subsidiaries in emerging economies, Beamond et al. (2016) conclude that closer and more empirical research on TM is needed by using institutional theory that will help to advance future of the TM field. Collings (2014) also suggests that the involvement of employees as constituents in the TM process has generally led to higher levels of alignment between an organisation's goals and those of its employees. However, Cascio and Boudreau (2016) argue that, in order to support the argument made by Collings (2014) on the involvement of employees in TM and their influence on TM effectiveness, more empirical research within a wider context and a wider range of industries needs to be conducted, by considering a wider set of perspectives and looking at how multiple constituents impact collectively on the effectiveness of the TM process.

This study seeks to fill this gap and will adopt institutional as theoretical perspective in order to understand the TM phenomenon. The institutional will examine why TM is pursued within a given organisation through an examination of the various approaches that have been selected to manage talented employees. The influence of institutional theory, as the current TM literature fails to examine how institutional factors impact on the effectiveness, as well as the implementation, of TM within an organisation. As a result, by approaching TM through the lens of institutional theory, this study will examine how different pressures (as mentioned in DiMaggio and Powell's (1983) framework in Section 3.4.1) influence an organisation's TM strategies procedures and its effectiveness.

Second, scholars have also suggested the need to explore the phenomenon of TM outside the US and Western contexts (Al Ariss et al. 2014; Sparrow et al. 2014; Beamond et al. 2016) so that a more universal understanding of TM, independent of influences, can be achieved, especially in emerging-market economies where the attraction and retention of a talented workforce is becoming increasingly difficult (Sparrow et al. 2014). In response to this need, the focus of this thesis will be to examine TM within the context of Oman which will be further discussed in Chapter Two (specifically in Section 2.2). This will provide insights from the Middle Eastern context and will help to advance the field of TM.

Third, scholars such as Meyers et al. (2013) and Swailes (2013) have also called for a sectoral comparison of TM in order to understand the different assumptions that underpin its use. In addition to this comparison, Beamond et al. (2016) argue

that the current focus of TM research has been on MENs (Multi-National Enterprises), but that research on different industries within emerging economies is relatively scarce. As a result, this study will explore TM within two different environments, the banking and petroleum sectors. Comparing these two sectors will enrich our understanding of the different assumptions presently made when approaching TM in these organisations, as well as the ways in which talent within these firms is managed.

Furthermore, TM research has previously focused on HR managers as their key respondents (Wang-Cowham 2011; Jones et al. 2012). However, the views of HR managers may differ from those of other stakeholders within the organisation (e.g. line managers and employees). This study will aim to fill this gap in the research by obtaining non-HR managers' views of how TM is conceptualised and operationalised within their organisations. As empirical research on TM is lacking (Dries and Pepermans 2007), and as qualitative methods (e.g. interviews) are needed to contribute to the theoretical development of the TM concept and its practice (Al Ariss et al. 2014; Beamond et al. 2016), a qualitative approach will be adopted under the instruments of in-depth semi-structured interviews, which will be designed for those involved within the TM process (e.g. decision-makers, HR managers and TM advisors) and those affected by the TM systems (e.g. employees and line managers).

Having discussed the significance of this study, the next section briefly illustrates the research design adopted.

## **1.5 Research Design**

This study employs a qualitative multiple case-study approach. The research design, data collection and data analysis are presented in Figure 1.1.

**Figure1.1: Research Design Process**

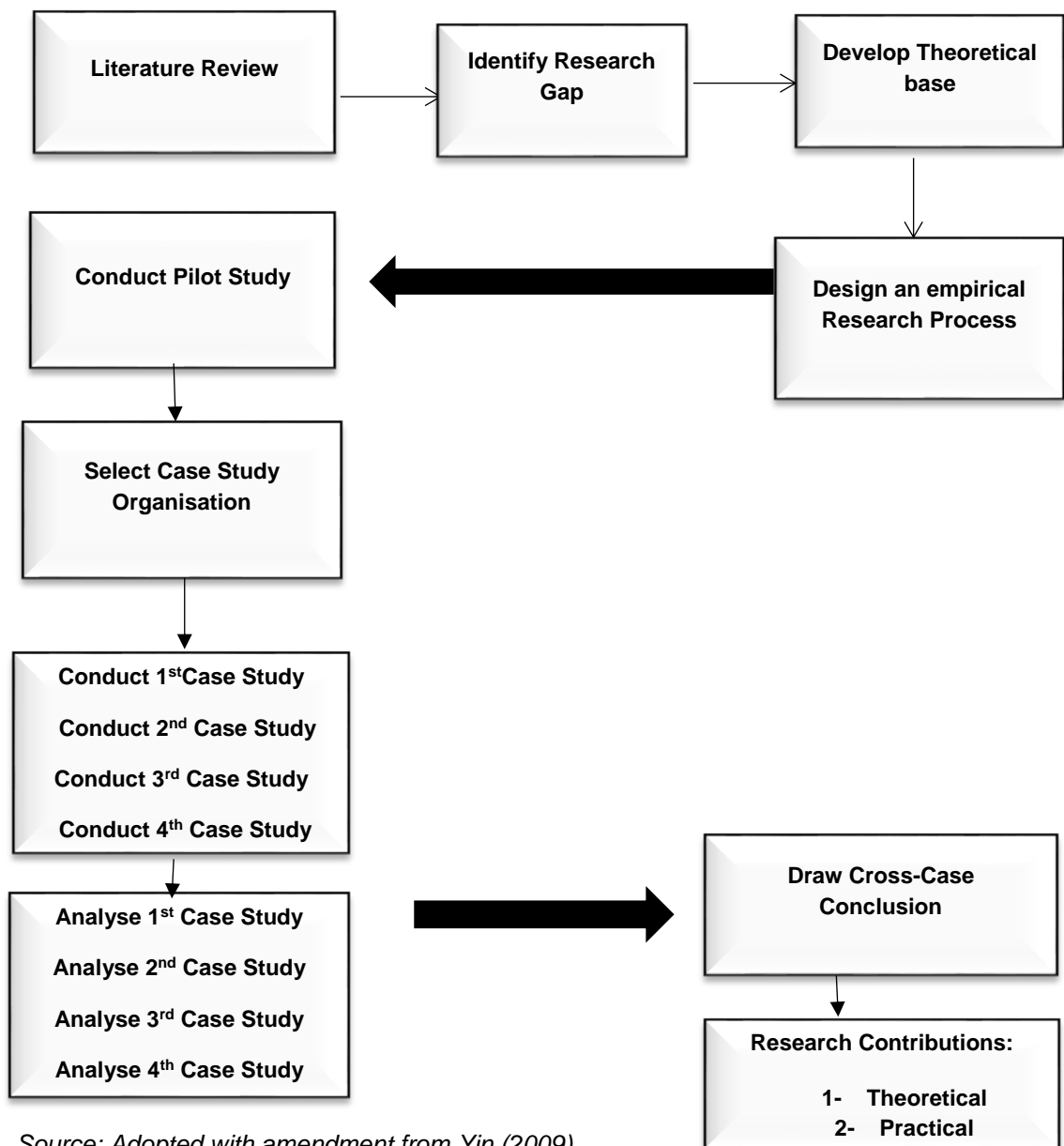


Figure 1.1 explains the steps taken in designing this study as a result of a systematic review of literature, as a series of gaps were identified and theoretical bases were developed. A pilot study is employed to refine the data collection and guide and select the cases relevant to this research. Each case study is analysed individually and further analysed using cross-case analysis in order to show key differences and similarities in TM approach. A conclusion is derived from the theoretical and empirical reflections and theoretical and practical contributions are presented.

## **1.6 The Structure of the Thesis**

The thesis is made up of ten chapters, as shown in Figure 1.2 below; the structure of the thesis will be as follows:

### **Chapter One**

In this chapter, the background and outline of the broad field of this study is presented. The aim of the chapter is to inform the reader through setting the scene for the rest of the thesis by laying the foundations for the study. The chapter includes a brief description of the research background, research problem, aim and objectives, a justification for the significance of conducting this research, as well as an explanation of the research design.

### **Chapter Two**

This chapter provides an overview of the context of this study. It begins by reviewing the Middle East region in general, and then critically reviews the main issues and challenges that face and shape HR practices in general, looking in particular at how TM is differently and uniquely implemented in the Middle East compared with other parts of the world. The chapter then moves on to highlight and analyse the Omani context, providing justifications throughout.

### **Chapter Three**

This chapter provides a detailed analysis of the concepts of talent and talent management (TM), beginning with an introduction to TM as a concept, as well as discussing the issues that have surrounded the definitions of talent and TM up to this point. Furthermore, TM approaches (Inclusive vs. exclusive) as well as its theoretical foundations, are explored. Overall, this chapter provides a systematic review of the literature in order to identify the gaps that this study should in turn seek to address. The chapter then presents the framework for the present study.

## **Chapter Four**

This chapter introduces the research methods adopted for the study. It examines the qualitative approach, the research instruments chosen for the study and the method of data analysis. It then documents exactly how the study was conducted, highlighting the problems that occurred and how they were managed. Here the ethical aspects of the fieldwork are also considered.

## **Chapters Five to Eight**

Chapters Five, Six, Seven and Eight present the findings of the study. Each of these four chapters presents an overview of the organisation's background and the demographic characteristics of the participants. The key findings of the empirical investigation of each case study are then examined.

## **Chapter Nine**

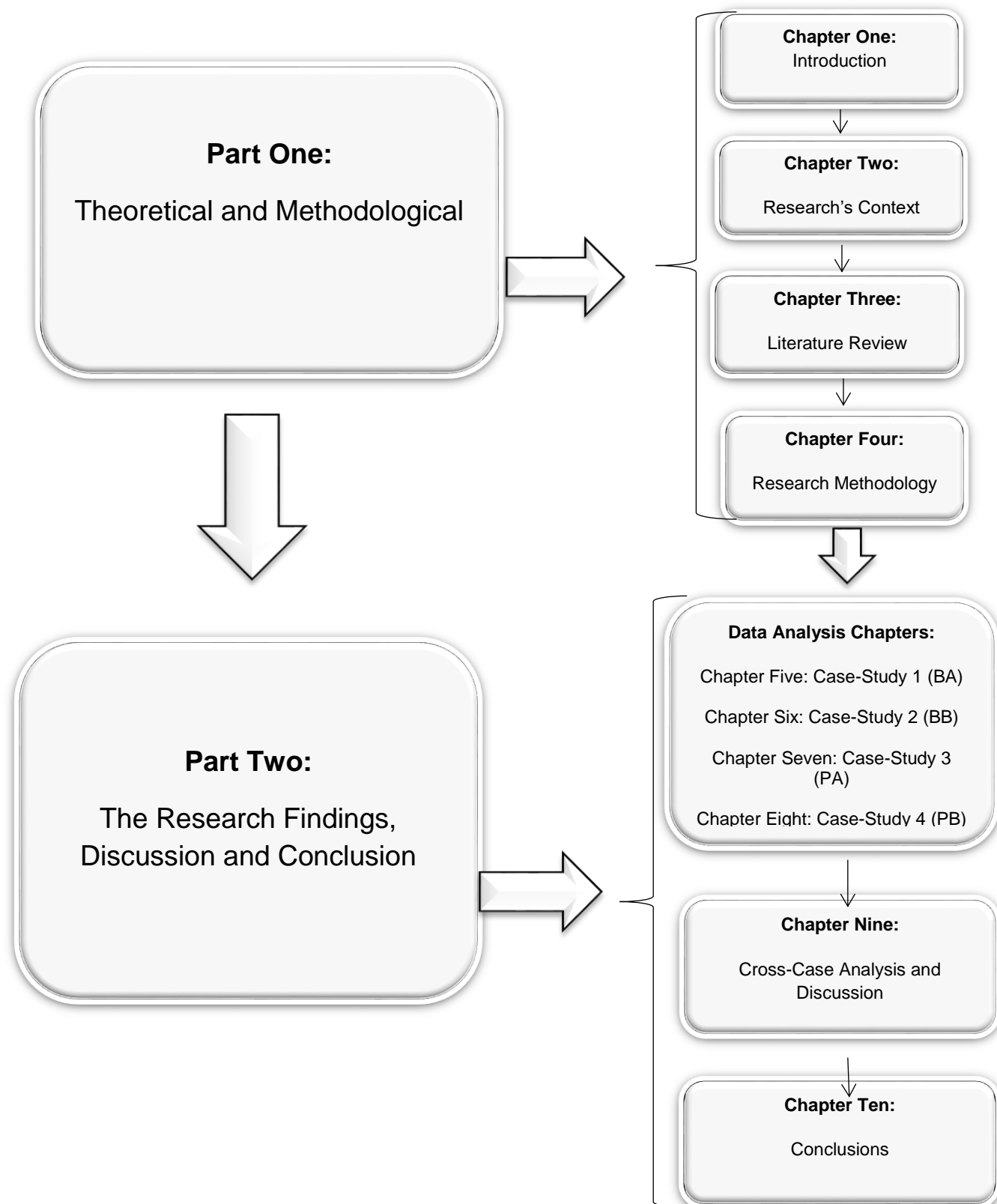
This chapter presents the cross-case analysis and an in-depth interpretation and discussion of the main findings of this research. Based on the findings, the implications of the institutional theory are discussed within the context of the Omani banking and petroleum sectors.

## **Chapter Ten**

Lastly, Chapter Ten provides the overall conclusion of the present study. Following this section, the key theoretical and practical contributions of this research are highlighted. After discussing these contributions, the chapter ends by acknowledging the limitations of this research and by identifying areas that future research should seek to develop.



**Figure1.2: The Structure of the Thesis**



## **Chapter 2:**

### **Human Resource Management (HRM) in the Middle East**

#### **2.0 Introduction**

This chapter provides an overview of the literature on HRM in the Middle Eastern region in order to understand and explore the nature of HRM within the context of the Middle East. It reviews some of the conceptual and empirical studies on HRM in this region (Section 2.1). In addition to this focus, the chapter also discusses why there is a broader demand for further research on HRM, and particularly on TM within the Middle East. The chapter then provides an overview of the Omani context and the importance of TM in Oman (Section 2.2). Finally, a summary of the chapter is provided in Section 2.3.

#### **2.1 HRM in the Middle East**

Budhwar and Mellahi (2007:p.2) describe the Middle East as “a socio-political and cultural area that does not have precise borders” (and also as a highly diverse area in terms of ethnicities, languages and religions, as well as political and economic systems. Extending from Morocco to Turkey alongside the southern and eastern shores of the Mediterranean as far east as Iran, and to the south of Sudan and Yemen, the region spans a significant geographical area (Mellahi et al. 2011). Alongside this diversity, one clear unifying cultural factor within this region is its main religion: Islam.

From an economic standpoint, the region also includes some of the world's wealthiest countries because of its 65% share of world oil reserves; conversely, however, this contrasts starkly with the slow economic growth still found within these Middle Eastern countries when compared with other developing nations (Budhwar and Mellahi 2007). Hofstede (1980) studied several of these Arabic countries (Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia and the United Arab Emirates) and classified these countries as demonstrating a high power distance, a moderately strong avoidance of uncertainty, a low level of individualism and a moderate masculinity, presenting several implications for subsequent organisational structures in general and HRM practices in particular.

Therefore, if one is to understand Human Resource Management (HRM) policies and practices within this Middle East region, it is important first to examine the cultural, political and socio-economic institutions through which this region has been formed. By explaining these different institutional factors, it is then possible to understand how HRM practices and policies work in the Middle East.

### **2.1.1 The Key Factors that Shape HR Policies and Practice**

Tayeb (1998) argues that HRM at both the national and organisational level are influenced by more than a surrounding national culture; in response to this, Tayeb (1998) identifies three groups of national influences: socio-cultural influence, institutional factors and political-economic and cultural values and attitudes. Collectively, these factors influence HRM policies and practices at the organisational level. As these macro-level factors vary significantly across nations, one should also expect HRM to vary in turn. Because of the presence of these different influences, this sub-section aims to examine the different macro factors observed across several Middle East countries and to look at how these factors, in turn, shape HRM policies and practices differently compared with other parts of the world (e.g. in the Western context). The key factors impacting HRM policies and practices in Middle Eastern countries appear to be: the religious influence; the influence of culture; the political nature of the region; and the state of the region's economy.

## **Religion**

As mentioned earlier, the main religion within these Middle Eastern countries is Islam; thus, the social life of these countries is, in turn, highly influenced by its values and surrounding culture (Branine and Pollard 2010). As a result, the Islamic framework regulates all aspects of human life, including not only the social but also the economic aspects of Muslim society (Mellahi and Budhwar 2010). When considering this influence, it is important to understand that Islam cannot be considered only as an affiliated religion as it is, in fact, a societal framework that extends beyond the usual life sectors that other religions are able to influence. Considering this concept, the people in the Middle East are expected to accompany their actions, both societal and economic, within this moral compass; which not only fosters a given respect and hierarchy within the social sphere, but also encourages hard work and obedience within an organisational context (Abuznaid 2006), with strong implications for the shaping of HRM policies and practices within these countries.

Furthermore, these norms and values observed among Middle Eastern people are commonly considered as being directly underpinned by the Quran through its sayings and the practices of the Prophet Muhammad (Ali 1996; Branine and Pollard 2010), which again, unlike religions practised in other countries, should be considered as a stronger societal framework which the majority of Middle Eastern people actively follow. This active adherence should, in turn, be expected to manifest itself, to some extent, as economically applicable values of proficiency and efficiency, at least from an attitudinal standpoint (Yusuf 2010). Also, adherence to the values of sincerity, justice and continuous self-assessment may also play an important role within the organisational setting when considering these HRM policies (Alhabshi and Ghazali 1994). These deeply held values are a central organising principle of Middle Eastern citizens when integrating with their work and with the approach they take to completing a given task and they are also a major influence on the way in which they expect to treat subordinates and to be treated by upper-management (Metcalf 2007). Incidentally, d'Iribarne (2002) highlights the fact that many organisational practices are only fully accepted by Moroccans if they equate to values already followed within this Islamic framework.

Although the values and norms are based on the Islamic concept in the region, people generally follow them in word only and seldom act upon these Islamic values (Al-Kazemi and Ali 2002; Branine and Pollard 2010). For example, Islam encourages promoting a person based on the efforts that he/she has spent on the work regardless of gender, ethnicity or background; but in Arab countries, organisations are susceptible to social forces such as tribal influences that impede the personnel function, especially in selection and promotion where choices are made subjectively and based on social relations (Ali 1995; Budhwar and Mellahi 2006; Metcalfe 2007). Thus, in the Middle East, it is often difficult to get things done without *wasta* – the personal intervention of influential people on behalf of a particular person despite this being prohibited in Islam.

### **Culture/ National Culture**

As well as the influence of Islam, the influence of the tribe has also continued to play a significant role in the lives of people within the Middle East region (Ali 1998). In the Middle East, the majority of people bear a tribal name rather than a family name adopted in Western cultures (Ayca et al. 2007). From a social standpoint, the ladder of progression enabled and contained by the tribe still plays a major role in modern Arab countries. This ladder of hierarchical status means that a given individual is determined by his or her tribal or group affiliation, and rarely through individual merits (Kazan 1993; Metcalfe 2007). Because of this influence, the tribe and the family are considered second only to Islam in terms of authority in formulating the culture of the region (Al-Hamadi et al. 2007).

These inherited Arab cultural nuances, traditions, customs and morals have also influenced the daily life of Middle Eastern citizens. For example, according to Hofstede (1980), the Middle East region is one which is very sensitive to social context and more collectivist than other parts in the world. This means that, in a collectivist culture, when compared to an individualist culture, a long-term commitment to the member group is established, that being a family, an extended family, or extended relationships (Al-Hamadi et al. 2007). Because of this collectivist social framework, individual loyalty to a specific body within a collectivist culture is considered highly important when contrasting these countries with their Western counterparts. For example, Rice (1999) argues that employer-employee relationships are based on extended family networks, which is unlike the management environment in other US and Western corporations.

Furthermore, Ali (1995) highlights the fact that the highly context-based and collectivist culture observed in Saudi Arabia is stronger within internal groups, such as the tribe or the extended family, but weaker within external groups, such as different religious groups and expatriate workers (Mellahi 2006). Within this collectivist culture, a strong emphasis is given to the coordination and teamwork that facilitates a supportive working environment (Hatem 2006).

The Middle East is also characterised as paternalistic culture and the leader is observably perceived as an elderly member, an authority figure that has the responsibility for undertaking the appropriate decisions for employees (Budhwar and Mellahi 2006). As a result, this creates a dynamic where the relationship between employee and employer is perceived as a familial relationship, such as that between father and son. Within this cultural approach, therefore, employees prefer to be reactive rather than proactive in their jobs and to wait for orders from their managers without the initiative and autonomy that is more readily encouraged in organisations within Western and other cultures (Aycan et al. 2000). Moreover, this leads to employees believing that their managers know everything about the task at hand and that the manager's decisions must be respected. Because of this social tendency, Middle Eastern people operate for the majority of the time under a hierarchical framework that promotes a centralised power and authority with tightly controlled hierarchical, social and subsequently organisational structures (Ali 1995). For instance, in the workplace, managers are observed to make independent decisions and work does not bypass the chain of command wherein managers are expected to conduct their behaviour in a manner that reinforces their more powerful standing over their employees.

Furthermore, respect is accorded to differences in age, which stems from the Islamic value that the younger should respect the older. This presents another factor that shapes interactions in the workplace. Age-accorded respect often results in conflicts and communication problems when the manager is older than his employee (Kim 1994). Moreover, in Middle Eastern culture, older persons are considered naturally in command of younger people and not the other way around. Within the context of an organisation, directives of younger managers are rejected and this conflicts with the system of merit observed among Western

organisations (Ayca et al. 2007). Thus, the instrument of cultural power is one of the main drivers of ineffective management practices within Middle Eastern countries (Budhwar and Mellahi 2006).

### **Political**

If one is to understand the management practices within the Middle East region, it is important to grasp the inherently political nature of these Middle Eastern organisations. For example, in GCC (Gulf Cooperation Council) countries, (Saudi Arabia, Qatar, Bahrain, UAE (United Arab Emirates) and Oman), the existing system of government is the traditional sheikhdoms and absolute monarchies that dominate the political, economic and legal sphere (Budhwar and Mellahi 2007). This means that the king, sultan, or sheikh is considered the chief figure in the government and the head of the country. Thus, the sheikh/king rules the country through a council of ministers and the ministers and the under-secretary, with their general directors within the ministries, have the right to make policy and decisions on issues based on their responsibilities which are in turn based on royal and ministerial decrees. For example, the Ministry of Manpower (Oman), as also referred to in other Gulf countries, forms part of the Council of Ministers and is responsible for the regulation of employment laws and working conditions and the creation of employment for local people (the policy of nationalisation). As a key factor, this could explain the direct and important influence of the government system in the Gulf countries on policies and practices in HRM.

Because of this political approach, the political nature of organisational life could be considered a reflection of how power from the monarchy is devolved, especially within public-sector organisations. For example, the style of management within Middle Eastern organisations has adopted this influence and is often characterised as autocratic, whereby managers use power and authority over their employees, with employees having little freedom to make autonomous decisions within their designated roles (Ayca et al. 2000). Here, it is worth noting that the power of the king/supreme leader in governing all aspects of life also impacts on the country's economic development. Yousef (2004) suggests that the political system and the continuous prevalence of conflict are the driving

factors that negatively impact on economic development within the Middle Eastern region.

Moreover, Kuran (2004) highlights the fact that the traditional laws in some Middle Eastern countries constitute the main factor in slow economic performance. Accordingly, one of the main motives of the Arab Spring, which occurred in 2011, was to bring about greater political and economic freedom, such as annual democratic elections, to end the corruption that has led to this economic deficiency (Afiouni et al. 2014).

Overall, it can be argued that the influence of these political systems that are dominated by monarchic rule with minimal democracy, as well as the influence of the recent change in terms of political reforms in some Middle Eastern countries, appear to have a significant impact on how HRM policies and practices are both shaped and implemented.

### **Economy**

From an economic standpoint, the Middle Eastern region is very diverse. The World Bank (2006) classifies Middle Eastern countries into three main groups: 1- natural resource-based, high-income countries including GCC countries and Libya; 2- the medium-income countries of Turkey and Lebanon; 3- low-income countries including the rest of the Middle Eastern countries. These range from oil-exporting economies to free-market economies; for instance, the Gulf region (Saudi Arabia, Kuwait, Oman, Qatar, the United Arab Emirates and Bahrain) is heavily dependent on oil as the main source of revenue (Budhwar and Mellahi 2007). Thus, the economic and financial policies of the region are generally linked to measures aimed at ensuring that these oil revenues are maintained with these revenues consequently being the key source of funding budgets and economic plans and programmes. Because of this petroleum-based focus, any decline in oil prices and revenues will have a significant impact on the economic development of these states.

As a result of this focus, all Gulf countries have realised the importance of diversifying their economies and reducing dependence on oil revenues. In response to this demand, a number of institutionalised policies have been implemented. Examples of these include the privatisation laws, investment laws



and new laws concerning foreign-direct investment to rouse competition needed for this economic diversification to occur. The success of these policies is dependent on effective HRM/HRD policies and practices that aim to develop a workforce capable of contributing to economic prosperity and competition within the global market. However, as the currently huge oil revenues allow the Gulf governments to reward their citizens lavishly regardless of their organisational efficiency, many local people have forsaken the value of merit and have wrongly associated this economic success with their otherwise inefficient economic effort and involvement (Budhwar and Mellahi 2006).

Other countries, such as Egypt, Jordan, Yemen, and Sudan have very limited natural resources and their economies depend primarily on foreign stimulus, tourism and agriculture. However, some of these countries have taken further steps in order to improve their economies by making free-market reforms and privatising previously public services (Budhwar and Mellahi 2006). Furthermore, this shift to a free-market economy has required many changes, including alterations in employment regulation, changes to labour laws and the development of human capital through effective human-resource policies and practices. However, this change has not aligned with the political forms that exist in the Middle Eastern region. An example of this would be the fact that trade unions in some Middle Eastern countries (e.g. Saudi Arabia) are still prohibited (Mellahi 2006), whereas in other countries (e.g. Jordan) state control is still very much the order of the day and very little freedom of speech is permitted as a result. Consequently, despite these current efforts, the success of the economic reforms does appear largely dependent on shifts within the political system.

The Arab Spring in 2011 called for more economic freedoms and for an end to corrupt regimes. These corrupt regimes in the region are characterised by high employment rates, low development in the private sector and limited economic opportunities. This widespread corruption in the region prevents transparency within the business environment and limits efficiency, for example by appointing top managerial positions based on relationships and not on merit. The World Economic Forum (2011), for example, has indicated that corruption is a problematic factor for doing business in the Arab world and that high levels of corruption and the misuse of political power have existed for some time in the Middle Eastern region.

Conversely, this region also appears to suffer from a high rate of unemployment, in particular among youth (16-24), averaging approximately 25 percent in the Middle East region, which is significantly higher than the 17.3 percent of the Western area (The World Economic Forum 2011). One of the main reasons for this high unemployment rate among youth and new graduates is the persistent gap between the knowledge and skills acquired at university or college and the real applicable qualities required within the business sector (Lanvin and Evans 2015). For example, The World Economic Forum (2011) highlights the fact that an inadequately educated labour force is one of the biggest challenges in doing business in the Middle East. This may refer to the fact that education systems in the Middle East are characterised by a highly centralised structure that prevents universities and colleges from producing courses that are designed for the private-sector market (Budhwar and Mellahi 2006; Lanvin and Evans 2015). As a result, there is still a gap between the quality of graduates and the applicable skill-sets that the market demands, a gap which, in turn, has held back the economy from expanding and developing.

Moreover, research into the damaging effects of youth unemployment indicates that it reduces the attachment of young generations to the workforce, damages their lifetime career prospects, erodes their skills and constrains the future productive potential of a nation's economy (Lanvin and Evans 2015). In particular, unemployment is particularly high among females, which may be explained by cultural attitudes, gender laws and weak support services (e.g. childcare) (Metcalf 2007; Hutchings et al. 2010). Giving the female workforce opportunity within the labour market and tackling the challenges that Middle Eastern women face could greatly expand the human capital available to economies within the region, contributing not only to growth within the economy but also to economic diversification.

Furthermore, it should also be noted that the public sector is the first choice among young graduates attracted by high salaries and employment protection (Al-Lamki 1998; O'Sullivan et al. 2011) in GCC region. This creates incentives for individuals to acquire knowledge and skills in areas demanded by that sector, thus reducing the pool of qualified candidates for the private sector and creating a heavy reliance on expatriates, which disadvantages economic development. However, this is reinforced by the attitudes of local people who do not accept

work in what they consider to be a “lower” job and prefer to work in a seemingly prestigious position that requires little effort (Al-Ali 2006). Consequently, type of work, sector of employment and social interactions at work determine the social status of the worker. The majority of vacancies in the private sector are manual jobs considered lower status by locals and therefore this creates a significant imbalance between public and private sectors (Mellahi 2006). As a result, the labour market in the Gulf is heavily reliant on foreign labour and there is a simultaneous shortage of skilled local workers to undertake these more manual and technical jobs should they be required.

Because of these factors, the social and cultural attitudes towards work in these private-sector organisations may greatly influence their ability to recruit and retain qualified local people and increase the difficulty in implementing the nationalisation policy. Al-Waqfi and Forstenlechner (2014) argue that there is a large reliance on foreign workers in the UAE, with a high concentration of national employees within the public sector and, by contrast, a high proportion of expatriates in the private sector (nearly 99%). Al-Waqfi and Forstenlechner (2014) refer to this issue as a pay gap between locals and foreigners, in which locals always request higher pay thus rendering expatriates more affordable for organisations within the private sector. At the same time, these higher wages in the public sector have become very attractive to Emirati. Moreover, another issue that Al-Waqfi and Forstenlechner (2014) find in their study is that local employees are more difficult to retain than their expatriate counterparts as their higher employment options lead, in turn, to an increase in the cost for organisations to hire them.

Currently, the economy of the Middle East is faced by two main threats: the low price of oil and political threats. For instance, the non-Islamic state in the region, observed to conduct terrorist activity and increase the political tensions in some countries, has placed significant pressure on components of the region’s economy. Additionally, falls in oil prices may also have been observed to have negative effects on the economic growth of the region, especially within oil-export driven countries such as GCC. These threats (oil prices and geopolitical turmoil) have subsequently added pressure to the existing rates of unemployment which are expected to increase with slow economic growth as well as with the rate of

emigration, especially among the more educated and qualified, to Europe and Western countries.

Overall, it can be argued that, although the region has experienced a relatively high rate of economic growth within the last decade and has been somewhat attractive for foreign investment, the current challenges of high corruption, the disassociation between education and required organisational skill-sets, as well as social and political instability, are simultaneously having a negative impact on economic performance and growth within the Middle Eastern region.

Having discussed the macro-environment of the Middle East region, it is now worth shifting the examination to the effects of these macro factors on HRM policies and practices and to how these factors are shaping HRM practices differently from those observed in other parts of the world, such as in Western organisations.

### **2.1.2 Subsequent HRM Practices**

As outlined in the previous section, the uniqueness of the Middle Eastern context has arisen as a result of cultural, social, religious, political and economic factors. These factors have played a significant role in shaping HRM policies and practices in organisations differently from those developed under other contexts; this may be instrumental in both enabling and constraining HRM practices as a strategic function of an organisation. The main religious presence within the region is Islam and workplace behaviour and subsequent choices and decisions related to HRM have been affected as a consequence (Metcalf 2007). For example, Hickson and Pugh (1995) argue that the Islamic ethics of behaviour provide an ethical framework for business and administration in Middle East countries. Hickson and Pugh (1995) also argue that one practical implication of the Islamic Work Ethic (IWE) is that hard work is not only encouraged but actively applied, as well as being perceived as a source of financial independence and a means of achieving personal growth, self-fulfillment and self-respect (Yousef 2002).

Al-Hamadi et al. (2007) identify major factors which play an important role and which shape HRM — Islam, civil service laws, social elites (Omani who educated

abroad) and expatriate workforce — with the valued applied through the Islamic framework playing a major role in the design and implementation of HRM policies and practices within the Omani context. These subsequent policies and practices are, for example, related to the support or prevention of equality between the genders and to equal pay.

However, although it is clear that the philosophy of Islam does encourage equality, regardless of gender or ethnicity, in every aspect of life, as well as a strong work ethic, the influence of social, political and tribal factors does appear to have a more significant impact on HRM practices such as hiring and promotion. Moreover, it has been demonstrated that the main influence impacting on the development of HRM within the Middle East is nepotism (*wasta*) which is a consequence of a deeply ingrained tradition in Middle Eastern societies (Yahiaoui and Zoubir 2006). Budhwar and Mellahi (2006) demonstrate how *wasta* conflicts with the merit-based employment observed in Western organisations today in that many organisations, especially in the public sector, prefer to recruit candidates through word-of-mouth and other informal channels. This reinforces the assumptions of the historical preference for employing someone through personal connections (Budhwar and Mellahi 2006; Metcalfe 2007).

On the other hand, other factors that have influenced this *wasta* mindset are the political and tribal identities which are very common in the GCC region. For example, within Saudi organisations, the process of recruitment and selection is influenced mainly by one's social connections, tribal identity and political affiliation (Mellahi 2006). Moreover, it has also been found that employees in Saudi Arabia with strong family and tribal connections are often promoted to higher positions. Because of this tendency, *wasta* commonly influences the positions of higher management rather than those at middle and lower levels. For instance, Ali (1995) indicates that in most Arab organisations, there is two-tier staffing in which there are the top positions, based on one's personal connections, and family-oriented positions, which are granted irrespective of the employee's qualifications. In turn, this means that the allocation of staff at the middle and lower levels is mainly influenced by the employee's experiences, skills and qualifications. As a result of these different staffing approaches, the process of recruitment and selection is reduced to a bureaucratic and administrative formality.

Furthermore, as a result of this non-merit approach to recruitment, it is still commonplace to find vacancies being filled before being advertised and it is also common practice to recruit new employees without opening the vacancy to the general public, especially when friends and relatives are already applying for the position. This approach often translates to the influence of friendship and kinship being prioritised over a candidate's qualifications, as managers feel obliged to support their families or friends. Parnell and Hatem (1999), in their study on HRM in Egypt, have highlighted the fact that friendship is the cornerstone of Egyptian culture and has been a significant influence on selection and promotion practices.

As a result of this traditional approach to screening and selecting candidates, based on his or her prior social connections, Middle Eastern people believe that employment is very difficult to obtain without having these connections with members of the organisations to which they are seeking to apply. Furthermore, an official job analysis and description are very rarely carried out and are consequently never used when recruiting and selecting candidates. Moreover, Hickson and Pugh (1995) also argue that the responsibilities of a position are less specific within Middle Eastern organisations, which again may place more focus on a candidate's social connections and background.

In addition to this non-merit approach to recruiting and screening candidates, it appears that the practice of performance appraisal within Middle Eastern organisations is also influenced by socio-cultural factors. Here, within these organisations, the appraisal of performance is mainly used to promote or increase the salary of the candidate; for instance, Al-Zufairi and Al-Enezi (2003) attempted to assess whether performance appraisal was used within private and public Kuwaiti organisations to determine promotion and salary increases or to identify poor performance. The study (Al-Zufairi and Al-Enezi) found that the lack of performance evaluation within these organisations was mainly influenced by an employee's personal relations. Moreover, it was found that the results of performance appraisal were used more for administrative reasons than for developmental and strategic purposes and, where reports on performance were produced, employees could not evaluate them as all were confidential. This may be attributed to the cultural issue mentioned previously in the chapter, the fact that Middle Eastern people do not like to receive any criticism and that criticism of an employee's performance is taken personally (Ayman et al. 2000). In addition

to the lack of objective performance appraisal, there is also the fact that direct supervisors are solely responsible for providing this feedback, which makes the performance assessment inherently based on the personal relationship the supervisor often has with the employee outside the workplace.

Furthermore, in their study on Turkish organisations, Aycan et al. (2000) indicate that performance appraisal within Turkish organisations is highly influenced by bias and subjectivity and that giving and receiving feedback on performance is a real challenge in a culture where people interpret professional criticism as personal attacks. Therefore, performance appraisal in Middle Eastern organisations can be characterised as traditional (carried out by supervisors), authoritative, centralised and subjective in nature (Budhwar and Mellahi 2006). Moreover, Behery and Paton (2008) have explored performance appraisal and its cultural compatibility with UAE organisations and have demonstrated that appraisal and culture are strongly associated and that this has an impact on the employee's working performance. Behery and Paton (2008) suggest that the job satisfaction of an employee may be positively linked to the extent to which they consider this appraisal and the organisational culture to be aligned. This also demonstrates an unexpected neutral effect in relation to the impact of national culture. One can argue that this supports the previous study on managing human resources in the UAE, where Suliman (2006) identified that organisations within the UAE failed to establish strong corporate cultures able to compete with other cultural layers in influencing employees' behaviour. For example, work values in the UAE are mainly determined by regional and national cultures. This means that, unlike most Western people, family and tribal relationships tend to be prioritised among the majority of Gulf people when forming this organisational hierarchy (Suliman 2006).

Overall, socio-cultural issues, such as *wasta*, influence the workplace and this can negatively impact on performance. Thus, the productivity of an individual is often judged based on subjectivity rather than objective evaluation (e.g. tests, interviews), a fact which could be responsible for creating unequal employment opportunities and subsequently influencing the rate of unemployment observed in Middle East countries. Indeed, one of the main reasons for the high unemployment rate in the region is unequal job opportunity, especially among those who do not enjoy a potential political or administrative network of

relationships. While many Middle Eastern governments have introduced legal measures to eliminate this phenomenon, all their attempts have so far failed, as *wasta* is ingrained within a deep social fabric which in itself is based on the importance of tribal and family connections (Weir 2003).

Another point that might be considered in understanding HRM is the difference in viewing the importance of HR in the Western and Middle Eastern contexts. For example, the main differences between Western and Middle Eastern companies is that the former considers HRM as a strategic function that drives firms to achieve Sustainable Competitive Advantage (SCA), while the functionality of HRM in the Middle East has only basic functions and depends on internal and external political influences (Budhwar and Mellahi 2006). In this case, HR functions are dominated primarily by administrative work and social dignitaries, influential individuals and politicians, which usually interferes with the recruitment, selection and promotion process (Budhwar and Mellahi 2006). These differing views of HRM in Western and Middle Eastern organisations have limited the development of HR practices within Middle Eastern contexts. In order to address this, Kanungo and Jaeger (1990) attempts to identify the characteristics of developing countries concerning beliefs about human potential and argues that human capabilities within developing countries are often viewed as fixed and limited, which therefore means that career planning and progression within an organisation tends to be limited as well. One can argue that this approach to human potential may have been a contributing factor to the slow economic development in the Middle East region with its shortage of skilled labour.

Conversely, Western organisations may face difficulties in adopting HR practices within the Middle East. For example, many MNCs have had difficulty in applying new HR practices as HR functions in the Middle East have, for the most part, been reactive and administrative roles (Al-Husan et al. 2014). Indeed, Anwar (2003) finds that differences between American and Arabian cultures have led US companies to adopt management practices and policies that are suitable for the organisational culture typical to the UAE. In the same vein, Saleh and Kleiner (2005) show that, if multinational companies are to be successful, they should develop an understanding of the socio-cultural contextual factors unique to the Middle Eastern region. These studies suggest that the economy, culture and political systems of the Middle Eastern region have resulted in HR practices and



policies being shaped in a different way compared with other countries in the world. Because of these cultural factors, Mellahi et al. (2011) argue that, given the significant role played by local government and national institutions in shaping the business environment in the Middle East, further research will be needed on the role of these non-market actors in shaping MNEs in their strategic capabilities.

Overall, it is clear that the combination of macro socio-cultural and governmental regulations, and perceptions of HR, do play significant roles in shaping HR practices and models within Middle Eastern countries. Indeed Metcalfe (2007) argues that the nature of religion, institutional structures and social relations shape business processes differently compared with other Western contexts. Thus, Metcalfe (2007) highlights the fact that these factors have a strong influence on HRM philosophies and practices in Middle Eastern organisations.

Accordingly, Afiouni et al. (2013) suggest that there is some difficulty in implementing Western-based models and practices in the region, with constraints arising from the idiosyncrasies of local culture, the Islamic influence and particularly national employment regulations. For instance, in his paper on an HRM model for Oman, Khan (2011) argues that the HRM models that have been developed by HR scholars (Fombrun et al. 1984; Beer et al. 1985; Hendry and Pettigrew 1992; Schuler 1992) have some limitations which are difficult to replicate in GCC countries. The limitations of implementing these models are a result of the nationalisation policy and the uniqueness of each of these countries. For example, there are a number of labour laws and HR policies that were re-shaped in private-sector organisations in order to attract nationals and meet the nationalisation requirements, such as required working hours, wages and training and development programmes.

Furthermore, institutionalists such as Whitley (2000) and Hall and Soskice (2001) argue that national factors, such as economics, governance, financial and legal systems and trade unions, are the main sources of difference between nations regarding HRM. In response to these factors, Khan (2011) argues that it is important to have a model that accounts for regional, cultural and socio-economic factors, which will help the understanding of HR practices in a specific region or country. This supports the earlier argument made by Budhwar and Mellahi (2007) who state that evaluating region-specific constructs will help in the study of local and global issues. For example, Pudelko (2006) compares HRM systems in the

USA, Germany and Japan and finds that the socio-economic contextual factors of the American and Japanese HR systems are in many ways at opposite ends, with the factors for Germany falling somewhere in between. This study reveals that there is a difficulty in fully standardising managerial practices across countries. This could explain the role of socio-economic contextual factors in shaping HR practices and indicate how a divergence of HR practices among countries emerges as a result.

In order to examine this cross-national HRM, Budhwar and Sparrow (2002) propose a framework that identifies three levels and variables that can influence HRM practices and policies, which include national and institutional factors and dependent variables (e.g. age, size and the life-cycle stages of an organisation). These factors, from both macro and micro levels, are believed to play a significant role in shaping HRM systems and are observed to create some divergences among Middle Eastern countries. Therefore, it can be argued that, with the factors proposed by Budhwar and Sparrow (2002) and with current challenges that face the region regarding further research on HRM and TM in particular (Afiouni et al. 2014), an understanding and examination can be developed concerning the role these current factors play in shaping talent management in the Middle East region in a different manner to the way it develops in other parts of the world. Accordingly, this will lead to the development of theories and models that will contribute to local and global literature.

However, there is still a scarcity of HRM research in the Middle Eastern region, which makes it difficult to obtain a comprehensive understanding of the nature of HR in Middle Eastern countries (Budhwar and Mellahi 2007; Afiouni et al. 2013; Afiouni et al. 2014). Godley and Shechter (2008) also claim that, although the Middle East is still economically and politically relevant on the world stage, the region remains unexplored and little is known about the HRM practices and approaches that organisations within this region currently adopt. Because of this, Afiouni et al. (2013) call for more efforts to achieve a better understanding of the complexities of external business realities in the Middle East and their impact on HR practices with a higher emphasis on empirical rather than conceptual research. As part of this emphasis, they argue that there is a need for further exploration of other key factors that impact on the formation of HR and its practices within the Middle East, such as institutional voids and natural resource-

rich economics. In particular, the recent challenges that face the Middle East, such as the Arab uprisings and their political influence, the economy and the unique requirements of younger generations (Afiouni et al. 2014), will influence HR policies and practices within the Middle Eastern region (Afiouni et al. 2014). For example, following the Arab Spring, workforce-nationalisation initiatives in GCC were aggressively driven by governments across both public and private sectors, with the enforcement of nationalisation requirements to reduce the rate of youth unemployment and improve the quality of life for the wider population. However, this nationalisation policy could act as a barrier to businesses operating within GCC countries as the region faces shortages in skilled labour, especially among the locals, which as a result could create a “war for talent” in certain business sectors (Sidani and Al Ariss 2014; Al Amri et al. 2016).

Therefore, these new trends in the Middle East (e.g. the Arab Spring and the nationalisation policy in GCC countries) suggest that further research on the nature of HRM within the region is needed. In particular, research needs to examine the impact of the Arab Spring on talent management and look at how the influence of the nationalisation policy impacts on talent retention, as well as examining the overall TM architecture common to the Middle East (Afiouni et al. 2014).

This study will examine the nature of talent management (TM) in one of these Middle Eastern countries, the Sultanate of Oman. This research will examine the role of institutional pressures, as well as internal factors responsible for shaping and implementing TM systems within Omani organisations. Furthermore, a specific TM approach adopted in Omani organisations will also be evaluated and its impact on employee commitment will be assessed. In the following section the national context of Oman will be examined, focusing on both cultural and institutional elements. In particular, the elements of human-resource development will be examined along with the influence of the law and labour legislation on these organisations, particularly those within the private sector. An overview of talent management in Omani private-sector organisations will then follow.

## **2.2 The Omani Context**

Oman is a developing country with a fairly short modern history, which began when His Majesty Sultan Qaboos came to the throne in 1970. Since 1970, the importance of educating and developing the Omani people has been emphasised by His Majesty in a bid to build a modern society. The social structure of Oman is also considered more stable and equal when compared with those of other Middle East countries and this has a significant impact on the social behaviour of its population. For example, within Omani culture, there is no caste system, but instead a less rigid social hierarchy that operates on the basis of family connections (tribal ties) and religious education (Al-Hamadi et al. 2007). Therefore, when compared with other Middle Eastern countries, Omani culture has been very tolerant of other groups in terms of ethnic, religious, or linguistic background; and, with the culture of Oman avoiding conflict based on these differences, such conflict rarely occurs in Oman as a result (Deeb 2001). From the research's perspective, it is possible to analyse the role that institutionalisation (DiMaggio and Powell 1983) has played in shaping the norms and behaviours of Omani culture, which in turn has influenced how institutions such as organisations are structured and managed.

As a nation, it should also be noted that Oman is a member of the six-nation Gulf Cooperation Council (GCC) which was established in May 1981. GCC states comprise Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates and Bahrain. Whilst these six countries do share some similarities in terms of culture, values, language, history and geographical location (Common 2011), the strategic location of Oman distinguishes it from other Gulf countries in terms of its economy and socio-political structure. Located in the south-east of the Arabian Peninsula, the Sultanate of Oman is considered one of the world's most strategically significant locations, sharing borders with the United Arab Emirates to the north, Yemen to the south-west and Saudi Arabia to the west (Ministry of Information 2011), as well as sharing control of the Strait of Hormuz with Iran. According to the Ministry of National Economy (2011), the land coverage of Oman spans about 309.5 thousand square kilometres, 82% of which is sandy desert, 15% mountainous and 3% coastal. With a population of 2,773,479, Oman contains 1,957,336 indigenous citizens (70.6%) with the remaining 816,143 being expatriate workers (29.4%) (Ministry of National Economy 2011). Furthermore, it

should also be mentioned that, while the official national language is Arabic, English is widely spoken, especially in the private sector. To represent these unique factors, Figure 2.1 shows the geographical location of the Sultanate of Oman.

Figure 2.1: Map of the Sultanate of Oman



Source: (Network 1996)

Another important aspect of Omani culture when understanding its unique context is its approach to the religious practice of Islam, which for many citizens represents an important part of Omani life, with the Sharia the foundation of the country's laws, stemming directly from the teachings of the holy Quran (Al-Hamadi et al. 2007). Furthermore, democracy in this country is also emphasised, which can be understood from His Majesty's speech to Omani citizens in 1973, where he stated: *"All citizens in this country are the same and equal, there are no differences between small and big or rich and poor"*. This indicated that His Majesty's philosophy called for an Omani population, male and female, rich and poor; whereby all citizens would be able to gain full access to the same educational, economic, social and cultural development opportunities as originally specified in Islamic law. As a result, the Basic Law of the country ensures the freedom and rights of all citizens, while the Basic Decree of the State (1996) focuses on the provision of political and social stability (AL-Yahmadi 2000). For instance, in terms of gender equality, which is often considered a

challenge to achieve within Middle Eastern culture, the report on human-resource development demonstrated that the Sultanate of Oman is in fact the closest to achieving gender equality when compared with other Arab countries (The Supreme Council for Planning 2012), the Omani Labour Law granting women the right to work on an equal basis to their male counterparts. Indeed, today, several Omani women hold senior government positions such as Ministers, Ambassadors and Members of Parliament (Metcalf 2007).

Overall, the Sultan's vision is to create a modern society through the cooperation of three main elements: the government, the private sector and the activity of its citizens. In order to facilitate a modern society, the establishment of institutions has been one of the cornerstones of implementing this strategy over the past 45 years. Institutions, therefore, must be developed in a number of stages in alignment with the economic and social progress taking place within Omani society. Additionally, institutions are urged to enable citizens to pursue their ambitions, ensure that the state's executive and parliamentary institutions collaborate and safeguard the independence of the judiciary. Furthermore, the Basic Law is concerned with the assurance of peaceful and harmonious relationships, locally and internationally, by strengthening co-operative relationships and ties with all other countries around the world (Al-Kharusi 2003). According to The World Bank (2006), the Sultanate was ranked highest among Arab countries in terms of political stability and second in adherence to the rule of law. This political stability has distinguished Oman from other Middle Eastern countries which are fraught with conflict and political instability. Because of these criteria, a number of laws and policies in areas such as employment were created to ensure the prosperity and development of the Omani people, which will be further discussed in the following sections.

### **2.2.1 The Nature of the Omani Economy**

Like those of other Gulf countries, Oman's economy is heavily dependent on oil resources although it has more limited oil reserves than Saudi Arabia, the UAE, Kuwait and Qatar, as well as having a higher cost of extraction. Furthermore, although the 2009 financial crisis resulted in a 24% decline in GDP, non-oil based activities only experienced a decline of 5%, which suggests that the largest

decline in GDP was a direct result of the fall in oil prices and provides important evidence of the sustainability of activities outside the petroleum sector (The Supreme Council for Planning 2012). As a result of this alternative source of economic sustainability, the government has implemented a development plan that focuses on economic diversification with the aim of minimising the contribution of the oil sector and increasing contributions by non-oil based industries.

For example, services such as tourism were endorsed and were key successful components of the diversification plan. This diversification strategy also aims to place greater emphasis on the “Omanisation” of the labour force, particularly in the private sector, as this will help to reduce the unemployment rate in the country and create a highly skilled local workforce, thus contributing to the sustainability of the country’s economy. As part of this policy, the government is now forcing companies to employ and train Omani people by maintaining a certain percentage (90%) of local employees; indeed, failure to achieve this percentage can result in the penalisation of the organisation. As for political stability in the country, the American Foreign Policy Magazine (2009) ranked the Sultanate the most stable among Arab and African countries (American Foreign Policy Magazine 2009, cited in The Supreme Council for Planning 2012). This stability has helped to increase the flow of foreign investment, which has accelerated the process of growth and economic development.

Moreover, it should be mentioned that the government has developed many projects to modernise the economy and has become a more active player in the global market. For example, Oman became a member of the World Trade Organisation in October 2000 and has continued to adjust its financial and commercial practices to conform to international standards; there are now a number of commercial and development banks that operate both locally and internationally (Central Bank of Oman 2013). Furthermore, entrepreneurship has also received great attention from the government as it is expected to be a significant tool for diversifying and strengthening the Omani economy (Stefan et al. 2014). An example of this can be observed in the government’s recent launch of a programme called RAFD (meaning “supplier”) which, similar to the start-up loans scheme in the United Kingdom, offers free loans to Omani people looking to start their own businesses. In conjunction with the nationalisation of the



workforce in larger corporations, the prospect of each of these small start-ups being able to hire even only several employees collectively presents a significant opportunity for the Omani economy (Khan and Almoharby 2007). Overall, it can be understood that the characteristics of, and challenges to, the Omani economy, as seen in oil-price fluctuations and the high cost of oil exploration, have led the government to implement a strategy that aims to diversify the economy in order to reduce its dependence on the oil sector as well as to strongly emphasise the need for a local, highly skilled workforce that will support Oman's economic growth and development.

### 2.2.2 Human Resource Development

His Majesty Sultan Qaboos considers each individual not only as an economic unit of capital in Omani society, but as an individual source of creative innovation and entrepreneurial development in modern society. As such, the government has focused on the development of these human capabilities as well as on enhancing participation in development projects (Winckler 2000). This drive towards empowerment of the skill-sets unique to each individual is best reflected by the quote below:

*"Development is not an end per se, but it is a means to build the human being who is its tool and maker. Therefore, it should not be limited to the concept of achieving the material wealth and building a diversified economy, but must go beyond that to the formation of aware citizens who can contribute competently to the march of progress and comprehensive construction through the development of their technical and professional abilities, stimulation of their creative and scientific energies, honing their diverse skills and directing it all towards the service of the country and happiness of citizens."* **(Qaboos bin Said, June 22, 1995)**

As this extract suggests, this vision has been the Sultanate's main springboard for human-resource development, which is reflected in the vision of the future Omani economy. In this regard, much has been invested in education and vocational training in order to achieve these Royal directives. Moreover, the actual education sector in Oman has been granted top priority at all levels, in terms of the number of schools, students and teachers, as well as the increased

numbers of higher-education institutions that have the advanced facilities and tools to produce high-quality graduates (The World Bank 2013). As a result of these policies, Oman is incidentally reported to have literacy rates of 99.3% among young people aged 15 to 24, as well as having 1,500 K1-K12 schools (Information Technology Authority 2015). Categorically, the Sultanate's education system consists of pre-education, general education (divided into three stages: primary, preparatory and secondary) and its higher-education institutions. Moreover, the country has paid a great deal of attention to higher education as an important mechanism for boosting the growth of the economy. Therefore, a number of public and private institutions have been constructed and developed. For instance, a public university, Sultan Qaboos University, was opened in 1986, and there are other public colleges such as applied-sciences and technical colleges.

In terms of ensuring the provision of higher education for its citizens, the government has also encouraged investors to open private universities in order to increase the number of students enrolling in higher education. As a result, a number of private universities have opened, such as the Open University and the Banking College. Despite the importance attached to higher education and the increased number of universities and colleges with advanced facilities and techniques, higher-education institutions are still faced with a number of challenges. One example of these challenges is the insufficient output from higher education to meet the current requirements of the market and this has led to a shortage of skilled and qualified workers in the Omani labour market (The Government of Oman 2012-2015).

This suggests that the emphasis in GCC countries has been placed on the development of human resources rather than on the important knowledge and applicable skill-sets that these graduates need if they are to be considered as assets for organisations (Budhwar and Mellahi 2007). As a by-product of this inefficiency, there remains an increasing number of expatriates in the workforce and in particular at professional and highly skilled levels. Although the public sector employs more Omani nationals, there is still a significantly high level of dependence on the expatriate workforce within the private sector with statistics indicating that there are 1.7 million locals and 2.4 million expatriates in Oman, a 14% increase in expatriates from the 2009 figure (Global Research 2011). As a

consequence, these figures illustrate that the development of the local economy may depend on recruiting a larger proportion of the local population (Goodliffe 2005). Because of these concerns, and in order to reduce the number of expatriates within Omani organisations and facilitate different employment opportunities for local applicants, 1995 saw the introduction of the Omanisation policy.

The driving factors behind developing the Sultanate's employment through its Omanisation policy have primarily been based on the need to sustain its future economy, especially under the diversification strategy. The policy also aims to develop the national workforce in order to find good job opportunities and, moreover, to reduce the dependency on the public sector being a first-choice employer for local people (Al-Lamki 1998; O'Sullivan et al. 2011) and to increase the number being actively employed in private-sector organisations. However, it should also be remembered that private-sector organisations are still faced with certain challenges in attracting and recruiting local people. Examples of this would be the pressures unique to the private-sector environment and the fact that salary packages within the private sector are less attractive than their public-sector counterparts, thus resulting in more expatriates gravitating towards private-sector vacancies. Furthermore, Al-Lamki (1998) suggests that the strong preference among Omani youth for joining the government sector is a result of the opportunity of lifelong employment, further-educational opportunities, attractive wages, increased benefits, favourable working conditions and better working hours. Conversely, Al-Lamki (1998) also indicates that the private sector discourages and disqualifies Omanis from applying for these vacancies because of a lack of work experience and English-language proficiency. In addition to these considerations, Al-Ali (2006) highlights the fact that local people do not see career-development prospects in the private sector and there is little opportunity for training and promotion.

Therefore, in order to increase the contribution of the local workforce to the different economic activities and reduce the dependency on the expatriate workforce in private-sector organisations, the policy of Omanisation was implemented. This policy focused on the criteria that private-sector organisations meet the required percentage outlined by Omanisation and that local employees

are allocated to various managerial positions and provided with appropriate training and development opportunities.

As a result, a number of policies and procedures have been adopted within these private-sector organisations in order to respond to this policy by addressing the incentives of wage levels, jobs and opportunities for training and progression. Accordingly, improvements to policies and to the structure of private-sector organisations as a result of Omanisation have had a positive impact by attracting the local workforce to this sector. Between 2001 and 2009, the private sector saw a significant increase in the percentage of Omani workers, from 16% to 23%. Moreover, the highest achievement of the Omanisation policy is evidenced in clerical occupations where, in 2009, 94 per cent of the workforce were Omanis (The Supreme Council for Planning 2012). However, there are still a number of challenges inhibiting the effectiveness of the Omanisation policy. For example, one report published by (The Supreme Council for Planning 2012) demonstrates that there are low percentages of Omani employees in professional and highly specialised jobs requiring a higher level of proficiency and more advanced capabilities. This is due to the fact that the academic disciplines usually recommended and studied for these private-sector positions are not meeting the requirements that the positions demand, both in quantity and quality, especially at the more specialist and professional levels. Al-Hamadi et al. (2007) have also found that Omanis favour work in certain sectors while rejecting others such as construction and other manual jobs, which makes achieving the Omanisation policy across a balanced range of sectors even more of a challenge.

Furthermore, The Economist Intelligence Unit (2007) highlights other issues related to the supply of local employees, notably the greater cost required to employ locals and the additional rights they enjoy once employed. These are likely to be main challenges that could slow the progress of Omanisation in private-sector organisations. Because of these constraints, the success of the nationalisation policy appears debatable as certain key barriers still remain that might result in slow progress in some sectors even though a high percentage is being achieved in others, such as the banking sector where 93 percent of employees are Omani (Al-Lamki 2005). However, it should also be considered that the success in one sector may affect the success in implementing the nationalisation policy in others. As a result of these findings, Al-Lamki (2005)

suggests that the success in implementing Omanisation within the banking sector can be emulated in other industries with the correct amount of planning, training and development.

### **2.2.3 Labour Legislation in the Sultanate of Oman**

As well as the extent to which the Sultanate's policy of nationalisation has acknowledged the challenges and incentives necessary to reach this required percentage of Omanisation, one of the main aspects of human development that should also be considered is the labour legislation that maintains the relationship between employee and employer. Because of this, the Omani government has paid great attention to establishing such legislation in order to control and improve upon the relationship between employee and employer in both sectors, public and private. This emphasis on the importance of labour legislation improving this relationship is best represented by this extract from the Basic Law of the State:

*“The State enacts laws to protect the employee and the employer and regulate relations between them. Every citizen has the right to engage in the work of his choice within the limits of the Law. It is not permitted to impose any compulsory work on anyone except in accordance with the Law and for the performance of public service and for a fair wage.”*

From this perspective, a number of development laws were passed, such as the Civil Service Law, issued in 2004, which stipulates equal opportunities in terms of recruitment and promotion. This law also emphasises training and development opportunities in order to increase the capabilities of employees. Conversely, the Labour Law, issued in 2003, specifies the provisions and procedures related to the employment of the national labour force and grants them priority for vacancies available in private organisations. Furthermore, the Labour Law regulates the work of expatriates in private-sector organisations as well as the supply of expatriate workers. Globally, the government has also developed and updated the system of labour legislation in order to maintain the same pace of progress as the rest of the world. An example of this would be the government following the standards issued by the International Labour

Organisation (ILO) which outlines fundamental principles and rights in the workplace (The Supreme Council for Planning 2012).

Furthermore, a trade union was formed in the Sultanate of Oman in 2010 with the aim of protecting the interests and rights of employees. The law also grants license to the labour organisation to include other labour unions that operate in similar businesses. Consequently, the trade union in Oman has become an independent legal entity that represents employees in the private sector on both a local and international level with the number of organisations reaching 165 by 2012 (The Supreme Council for Planning 2012). This highlights an important influence that may have shaped subsequent management practices and policies in all organisations.

Another factor to consider regarding labour policy is the matter of the challenges to higher-education institutions to provide a suitable, competent, local workforce for private-sector organisations and the pressure from the Omanisation policy as well as the challenges to attract highly skilled employees who prefer to work in the government sector. These have led private-sector organisations to place a greater emphasis on their strategy of training and development as a top business priority. This, in turn, has resulted in the development of training programmes that have initially been focused on technical and vocational skills. However, because of the rise in the Omanisation percentage at the professional level, organisations have moved beyond this vocational focus and identified the importance of training experienced local employees to occupy these strategic positions that are still occupied primarily by expatriate employees. As a consequence, this may result in the recognition of key Talent Management (TM) practices as a strategy that can be used to meet the requirements of Omanisation and as a tool to meet the increasing pressure to improve organisational growth and productivity.

Therefore, if TM is to be used as an effective tool for meeting these demands, its success, when implemented in these sectors, will rely on proper investment in human capital by identifying candidates who may one day be able to lead the organisation in the long term. Because of the importance of this, leadership programmes have become a key element of TM systems within private-sector organisations, as it is believed that they will help to identify appropriate candidates who can then be developed as future leaders and managers of the organisation. However, despite these acknowledgements, TM is still an area that

needs further research within the context of the Middle Eastern region and of the Gulf region in particular (Zahra 2011; Afiouni et al. 2014; Sidani and Al Ariss 2014; Al Amri et al. 2016), especially with current challenges (e.g. nationalisation policy, conflicts and the Arab Spring). Furthermore, there is a further need to explore how TM operates within the Omani context at a country-specific level (Budhwar and Sparrow 2002) and this presents an opportunity to present a comprehensive picture of HRM in general and the importance of TM in particular within the Middle East region. As a result of this focus, specific research on the Omani context could be the catalyst that will enable future researchers to develop more universal theories and models of the TM field.

### **2.3 Summary**

Overall, this chapter has provided a background to the context of this research study. It has introduced the Middle East region in general and discussed HRM specifically within this context, as well as highlighting the importance of conducting further research on HRM, and TM in particular, in the Middle Eastern region. After exploring this relevance, the chapter then presented the Sultanate of Oman, paying attention to its geography, population, economy and labour laws. In terms of the Sultanate's human development, the chapter has highlighted how education has received substantial investment throughout the Sultanate. But it has also shown, in light of recent research, that the output of the country's higher-education system is still insufficient in meeting the requirements that the labour market demands.

In this chapter, the researcher has also discussed the different legislation and laws that may help to manage and control employment relationships throughout the country. Following these more general policies to benefit Omani employment within these organisations, the chapter then moved on to address the Omanisation policy within the private sector; demonstrating how this has developed from the stage where implementation barely existed to its state of success today given the recent pressure of government legislation. In covering this area, the law in relation to Omanisation was then discussed, demonstrating that the policy cannot be implemented at certain levels, particularly the highly

skilled and professional levels. This inability to allocate Omani employees at these levels may represent the uncalibrated output of higher education, which in turn represents a challenge for private-sector organisations urgently seeking to achieve these Omanisation requirements.

Finally, the chapter provided an overview of the training and development programmes offered by private-sector organisations in Oman so that these challenges can be met. One of these programmes involves the implementation of a talent-management strategy. However, although organisations are realising the instrumental significance of TM in addressing these challenges, there is still a need for further exploration of the operationalisation of talent management in this sector as this may represent the main solution for organisations to effectively meet these challenges and subsequently to contribute to the growth of the Omani economy.



## **Chapter 3: Talent Management (TM): A Review of the Literature**

### **3.0 Introduction**

In this chapter, a theoretical and empirical review of the Talent Management (TM) phenomenon will be presented in order to identify the existing gaps within the TM literature that will help to clarify the contribution of the present study. The chapter will begin by providing an introduction to TM as a concept and then outline how this phenomenon has developed (**Section 3.1**). After introducing the TM concept and exploring its development, the chapter will then move on to offer alternative definitions of talent and TM that have been developed since the 1990s (**Section 3.2**). Following this section, approaches to TM, including the inclusive and exclusive approaches, are discussed (**Section 3.3**). The chapter then briefly outlines the theoretical foundations of TM as well as the theory underpinning the present study (**Section 3.4**). After this section, the chapter moves on to review significant empirical research on TM conducted up to 2016 (**Section 3.5**). After reviewing this empirical research, the chapter then outlines the research questions and the theoretical framework for this study (**Section 3.6**). Finally, a summary of the core points discussed in the previous sections is provided in **Section 3.7**.

### **3.1 An overview of Talent Management (TM)**

Talent has been defined by the CIPD as “organisationally specific, being highly influenced by the type of industry, having group-level implications, mainly focused on the individual and dynamic and so likely to change over time according to organisational priorities” (2007: p.3). Following the turbulence caused by the recent economic crisis and by demographic change, organisations have quickly acknowledged the need to enhance the retention and development of talented employees (Lockwood 2006). For example, in the late 1990s, companies from the USA found that there was a shortage of senior executives in the labour market; meanwhile, other companies found themselves struggling to retain their most qualified employees.

Therefore, TM is increasingly considered as a key theme driving human-resource management (HRM) in many organisations and as a potential source of competitive advantage in a fiercely competitive and dynamic global marketplace (Collings and Mellahi 2009). TM also quickly emerged as a critical topic among practitioners and academics (Lewis and Heckman 2006) who sought to explore, in depth, how TM is capable of helping organisations to achieve a sustained competitive advantage (SCA). Accordingly, vast numbers of books and articles on the topic by both practitioners and academics are a testament to the growing interest of a global audience (Bersin 2006).

However, the majority of these empirical studies have focused on the North American context. Therefore, much of the theoretical and empirical foundations upon which TM is premised does assume a certain form of organisational behaviour and cultural practice (Meyers et al. 2013; Thunnissen et al. 2013a), which implies that results will likely differ when applied to diverse contexts. This criticism has encouraged other scholars and practitioners to develop, conceptualise and understand TM in other, wider contexts, such as in Europe, China, India, Russia and the Middle Eastern region (Iles et al. 2010; CIPD 2012; Huang and Tansley 2012; Skuza et al. 2013; Sidani and Al Ariss 2014; Kulkarni and Scullion 2015; Latukha 2015; Tatoglu et al. 2016). These studies on TM, however, have also been criticised for a lack of rigour in their definitions as well as a lack of rigour in their conceptual and theoretical development (Collings and Mellahi 2009; Thunnissen et al. 2013a; Dries et al. 2014; Collings et al. 2015; Gallardo-Gallardo et al. 2015; Thunnissen and Arensbergen 2015; Beamond et al. 2016; Cascio and Boudreau 2016). It is argued that there is a need to differentiate the concept of TM from other interrelated terminology, such as HRM, as there has been considerable debate on whether TM has been simply treated as a rebranded form of HRM (Lewis and Heckman 2006). Given these areas where further exploration is needed, the next section will discuss the differences in the meaning and definition of talent and TM.

### 3.2 The Definitions and Terminology of Talent and TM

The existing literature on TM indicates that the concepts of talent and TM still lack a unified definition and theoretical development (Collings and Mellahi 2013; Sparrow et al. 2014; Collings et al. 2015; Cascio and Boudreau 2016). Furthermore, in order to implement an effective TM system within an organisation, it is first critical that the meaning of talent and TM are properly understood as this will influence how TM systems are formed. Accordingly, this section highlights the predominant definitions of talent and TM developed by scholars such as (Collings and Mellahi 2009; Meyers et al. 2013). One example of these definitions is the suggestion by Meyers et al. (2013) that the meaning of talent is dependent on three main dimensions: talent as innate (nature); talent as mostly acquired; or an interaction of both, innate and acquired.

**Table 3.1: the Different Definitions of Talent**

<b>Talent</b>	<b>Theme</b>
"The product of nature-nurture interactions, talent identification benefits from the assessment of factors that reflect the ability to learn - and, specifically, the ability to learn the things that are important for a job task - whereas talent development can be further enhanced by influencing personal and environmental catalyst" (Meyers et al. 2013: p.318).	Innate-Acquired
"Regularly demonstrate exceptional ability and achievement either over a range of activities and situations, or within a specialized and narrow field of expertise" Williams (2000: p.35)	Exceptional ability
"...managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results" (Michaels et al. 2001: p.xiii)	Collective abilities

### **Talent as Innate (nature)**

Talent is defined as “innate” when an individual is considered to possess “a natural ability to be good at something, especially without being taught” (Meyers et al. 2013: p.306). In other words, this would be where an individual is born with unique or exceptional abilities that have not been taught or developed and which lead to a superior level of performance. Often referred to as “gifted” or “talented”, this perspective of talent being innate is commonly associated with musical and mathematical ability, as well as high-level sporting endurance. The majority of HR scholars and practitioners (Williams 2000; Michaels et al. 2001; Tansley 2011) believe that talent is at least innate to some extent when there is a unique mix of collective abilities, such as being able to provide innovative solutions to problems, and also the personal skills that make an individual effective in relationships with peers, subordinates and managers. This is underpinned by the assumption that talented individuals achieve superior performance that helps firms to achieve competitive advantage (Collings and Mellahi 2013). Thus, in respect of performance, the literature supports the idea that only a small subset of employees are capable of achieving what is considered an “excellent” level of performance, which means that talented employees may learn faster than their peers who lack this innate ability. This approach would suggest that nurture (e.g. practising or learning) may not actually play a major role in the formation of talent, but rather that innate factors are the driving influence (Guest 2004).

Furthermore, talent as a natural ability (innate) has important implications for how talent can or cannot be managed. Buckingham and Vosburgh (2001) stress that, whilst skills and knowledge are easy to teach and learn, the talent of an individual pertains to characteristics that are much more stable and unique and therefore talent may be difficult to acquire through development or training. The difficulty in sourcing talented individuals through training and development could result in a scarcity of talent and a difficulty in retaining these individuals, which in turn leads to global competition for these talented employees (Meyers and van Woerkom 2014). According to Gallardo-Gallardo et al. (2013), this perception of talent as an innate ability implies that organisations will adopt an exclusive TM practice and that these practices will focus primarily on the identification and recruitment of these talented individuals. This will be further discussed in the coming section.

However, there is ongoing debate as to whether talent should be defined as innate or whether these same abilities could be acquired through learning and development processes within a workplace environment. For example, Howe et al. (1998) demonstrates that the more a person trains and practises a given skill-set, the higher that individual's level of performance. These correlations could indicate that individuals who are successful in, and committed to, a field of expertise are likely to spend more time practising than those who are less successful. According to Howe and Sloboda (1991), highly successful young musicians admitted that, without a strong commitment to practice, the same extent of their excellent progress would never have been achieved. Thus the significance of practising a given ability in order to achieve a level considered as "talented" has led to further debate and confusion as to whether talent is innate or can be acquired through learning opportunities.

Given the importance of continual practice and the studies that indicate that individual talent stems from innate ability, several HR scholars (Buckingham 2005; Yost and Chang 2009) argue that talent can be also viewed as acquired, which means that every person possesses unique abilities and skill-sets that can be acquired through further development and training. As a result, Meyers et al. (2013) suggest that talent can be conceptualised as "acquired".

### **Talent as Acquired (nurture)**

The conceptualisation of talent as being "acquired" suggests that learning, continual practice and experience from a young age are the main determinants of talent and are ultimately the factors that lead to a superior level of performance (Howe et al. 1998). For instance, some scholars (de Bruin et al. 2008) argue that deliberate practice of a given skill is a major factor in improving an individual's performance, whereas other research found that experience, and especially early experience, of developing a given skill plays a significant role in achieving these high-level results. For example, in the literature on leadership, Arvey et al. (2006) found that 30% of leadership capabilities were explained by innate factors, while 70% of these capabilities could be linked back to prior experience and training. The results of this study indicated that the meaning of talent is very much related to environmental factors, considered as "nurture" rather than the innate abilities

often referred to as “nature”. These findings also explain that the meaning of talent can encompass both innate and nurture-driven factors that collectively enable an individual to deliver outstanding results. Furthermore, Trait theory stipulates that the traits of a given individual underpin and shape his/her leadership qualities which are perceived as either innate or developed (Kirkpatrick and Locke 1991). However, such a stance has been criticised for focusing on the key elements of a person’s character that may be responsible for encouraging leadership qualities (Avolio and Gardner 2005). Given this ambiguity in the roles played by these innate and environmental factors, this has led to the third tension in defining talent which is that talent can be an interaction of both innate and acquired capabilities (Meyers et al. 2013).

### **Talent as Innate and Acquired**

The notion that talent can be driven by innate factors, as well as nurture-driven factors, has built on arguments within the literature on talented and gifted qualities (Gagné 2004). Under this concept of talent, innate factors are unable to lead to a superior performance without the interaction of nurture-driven factors within an individual’s surrounding environment (e.g. training and development). In his framework (DMGT: Differentiated Model of Giftedness and Talent), Gagné (2004) specifies that talent is constructed through the enhancement of innate gifts through learning and training. For example, this would imply that an individual who possesses innate qualities capable of enhancing musical ability cannot be successful if he/she does not commit to the learning and practice of musical instruments. This suggests that talent can be interpreted as being formed by two main elements: innate and acquired. However, there is still much difference among scholars in the extent of the importance ascribed to either one component or the other (Walker et al. 2010). On talent as a result of innate-nurture, Meyers et al. say: “... *the product of nature-nurture interactions, talent identification benefits from the assessment of factors that reflect the ability to learn – and, specifically, the ability to learn the things that are important for a job task – whereas talent development can be further enhanced by (an) influencing personal and environmental catalyst...*” (2013: p.318).

Furthermore, Collings and Mellahi (2013) expand these different meanings of talent (innate vs. acquired) and argue that the key focus for organisations should be on maximising value creation by calibrating the level of talent required by the organisation and ensuring that these talents are deployed in strategic positions. They say that the meaning of talent should be translated into performance within an organisational context, highlighting the role of this context and its implications on the performance of talented individuals. However, they also suggest that the advantages of allocating talent can be wasted if fostered within an inappropriate context for talent development or within a context with unique cultural-social factors capable of hindering as well as promoting talent. Because of this, a number of TM scholars (Collings and Mellahi 2013; Gallardo-Gallardo et al. 2013; Meyers and van Woerkom 2014; Nijs et al. 2014) highlight the importance of approaching a specific context (e.g. environment, type of industry or occupation) when understanding how talent is defined in terms of organisational performance. This, in turn, has implications for how these TM practices should be designed and implemented and requires further empirical research. In other words, the perception of talent as innate within an employee implies that an exclusive approach to TM practice will be adopted, one that focuses on identification and recruitment of talented employees. In contrast, however, if talent is perceived as acquired by an organisation, an inclusive approach will be implemented and the practices of an organisation will, in turn, focus on development, training and selection (Meyers et al. 2013).

Tansley (2011) found that, within groups speaking European languages such as English, German and French, talent is perceived as innate, whereas in groups that speak languages such as Japanese, talent is often considered as the product of the experience of hard work and a striving for perfection. This would suggest that the culture of a given group does influence how the meaning of talent is perceived. Moreover, Dries et al. (2014) argue that talent may, as a result, be influenced by factors such as a decision-maker's culture and personal beliefs. Dries et al. (2014) conducted a qualitative, cross-cultural study in order to understand how talent was perceived by organisational decision-makers (e.g. HR directors, CEOs and line managers) from subsidiaries of the same corporation in different cultures. The qualitative analyses revealed that there is, in fact, a difference among cultural clusters (Anglo, Eastern European, Germanic, Latin American and Latin European countries) in terms of how talent is defined. In

addition, respondents from the Anglo cluster (e.g. the US, the UK, Australia and New Zealand) appeared to associate the meaning of talent with exceptional nature and adopted a more instrumental approach when identifying performance and potential. Respondents from an Eastern European culture, meanwhile, appeared to place more emphasis on effort and hard work. Furthermore, Germanic cultures associated talent with innate and gifted abilities that led to an excellent level of performance. Respondents from Latin European groups, however, associated talent with attributes such as innovation, creativity and learning, while respondents from Latin America stressed that the call and vocation of an individual was what led to career success.

Overall, the results from the quantitative analysis show minimal difference between clusters in terms of how talent is defined. But, on average, more than 50% of respondents from each cluster perceived talent as something that could be developed. Furthermore, respondents from Anglo and Germanic groups displayed a significantly higher tendency to believe that potential talent exists in every individual, when compared with respondents from the Latin American and Latin European clusters. At the same time, exclusivity within an organisation's approach to TM was found to be less common within the Germanic cluster. However, there were several significant differences in the findings from the qualitative and quantitative analysis. Here it was found that the Anglo and Germanic clusters were those in which the majority of HR directors were found to associate talent with excellence and exceptional performance. Additionally, these two clusters from this quantitative analysis demonstrated a perception that "talent is innate in everybody". This could indicate that using exceptional performance as a criterion for talent identification means that it will be not only a very small group of the workforce that is considered talented.

In describing these perceptions, Dries et al. (2014) explain the differences in two ways. First they demonstrate that Anglo and Germanic countries engage more in top-performance grading, for example by hiring only the best performers for the job within an organisation. This could suggest that talent is perceived as exceptional but not necessarily as mutually exclusive. On the other hand, the second explanation is that the Anglo and Germanic clusters may have more multidimensional conceptions of talent. However, it should also be considered that these claims are built on prior assumptions of these authors, which indicates



that further research will be critical to substantiate these claims (Dries et al. 2014). Although this study has provided some evidence of how culture influences the meaning of talent, it is still unable to provide a clear explanation of how and why talent is defined in a particular way within these different cultural clusters. This is a result of ambiguities in the findings and differences between the qualitative and quantitative results. The study also fails to consider how culture and different institutional factors may impact on talent management at the institutional, national, organisational and individual levels. Accordingly, further research is necessary to examine and explore the effects of culture and institutional or social values, as well as beliefs regarding the strategy of TM and how it is implemented.

Furthermore, within the Dutch context, Thunnissen and Arensbergen (2015) found that talent is perceived as a set of multiple components of outstanding abilities, as both interpersonal characteristics and excellent performance. However, this empirical analysis also found that the organisational context and the different actors involved in TM significantly affect how talent is conceptualised. Given the importance of these different actors, Thunnissen and Arensbergen (2015) argue that the interpretation of talent depends on the position, responsibilities and work experience of the actors involved in TM. Also, these findings claim that talent needs to be regarded as a whole set of outstanding abilities, interpersonal characteristics, excellent performance and environmental influences to correspond to the complexity of organisations. Here, Thunnissen and Arensbergen (2015) suggest that, in order to capture talent precisely, a pluralist, multi-stakeholder approach is needed. Moreover, this claim can be linked with previous arguments – in order to understand and formulate explicit definitions of talent, researchers should draw upon traditional business frameworks which would also provide an understanding of organisational leaders and human-resource (HR) leaders in their mental modeling of how talent should be implemented.

One example of where understanding this mental approach to talent is important would be where organisational leaders often view TM as necessary only for elite and high-potential personnel, which as an attitude invariably leads to the exclusion of other groups of employees. In addition to this, it is also suggested that HR leaders should develop programmes aimed at developing all employees in an organisation rather than favouring a specific group (Boudreau 2013).

This lack of consistent definition of talent within the workplace also appears to be the reason why there are different ways of interpreting TM when practised within an organisation. For example, this could mean interpreting TM as: a new term for common HR practices; a succession of planning practices; a description of the focus on strategic, core jobs that are critical to creating competitive advantage; or, more generically, a way of managing talented employees (Lewis and Heckman 2006; Collings and Mellahi 2009; Tarique and Schuler 2010; Vaiman et al. 2012).

**Table3.2: Common Themes of TM**

<b>No.</b>	<b>Definition</b>	<b>Source and themes</b>
1	"A collection of typical human resource department practices, functions, activities or specialist areas such as recruiting, selection and succession planning"	(Chowanec and Newstrom 1991; Olsen 2000) <b>HRM</b>
2	"A set of processes designed to ensure an adequate flow of employees into jobs through the organization"	Keslar (2002) and Pascal (2004) cited in: Lewis and Heckman (2006) <b>HR planning</b>
4	" Systematically utilizing IHRM activities to attract, develop and retain individuals with high levels of human capital (e.g., competency, personality and motivation) consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive and global environment"	(Tarique and Schuler, 2010, p.3; & Vaiman, Scullion, and Collings 2012) <b>Global TM (GTM)</b>
6	"the systematic identification of key positions which differentially contribute to the organization's sustained competitive advantage (SCA), the development of a talent pool of high potential and high-performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling positions with competent incumbents and ensure their continued commitment to the organization"	(Collings and Mellahi, 2009, p.304) <b>Segmentation (positions and people)</b>

As shown in Table 3.2, TM has been dominated by several common themes and by a variety of different perspectives. In the first category, TM is referred to as a set of HR activities. Within this view, TM is nothing more than a re-labelling of HR practices. Similarly, another theme considers TM a method of HR planning, with Keslar (2002) and Pascal (2004) arguing that TM should focus on the adequate supply of the right people in the right positions (Keslar and Pascal 2004, cited

in Lewis and Heckman 2006). However, Lewis and Heckman (2006) claim that all of these themes developed by various authors around the management of talent are simply the rebranding of existing HR practices and that they do not advance the theory of HR. At a wider contextual level, TM is mainly articulated as developing strategic plans and goals by identifying any gaps in talent through the assessment of gaps in required skills, by encompassing succession planning and by recruiting, selecting, educating, motivating and retaining talented employees through a variety of initiatives (Whelan and Carcary 2011: p.676). Furthermore, it is widely acknowledged that the knowledge, skills and competences of employees need to be maximised and recognised as a distinctive source of competitive advantage (Lewis and Heckman 2006; Collings and Mellahi 2009). Lewis and Heckman (2006) define TM as a process structured into three distinct phases, as follows.

The first phase combines TM and corporate strategy in order to gain sustained competitive advantage (SCA). The second phase then focuses on the talent-pool strategy, which means that employees are then divided into different groups (segmentation). Lastly, the third phase emphasises the system of TM and its practices, outlining how practices should be implemented within the context of each of these different talent pools. Moreover, this definition can be linked to the third theme which defines TM as dealing with high potential and critical positions. Also, CIPD (2007) notes that TM should emphasise the types of high-potential people likely to lead an organisation towards achieving its sustained competitive advantage (SCA). Jones et al. (2012) identify that senior managers and human-resource managers define TM as “the identification, attraction, development and retention of a segment (high quality/high potential) of their workforce...” (p.408).

Within the definition constructed by Collings and Mellahi (2009), TM is based on the recognition of role differentiation within organisations, emphasising the importance of strategic jobs over non-strategic positions. The second part of their definition then focuses on the development of a talent pool of high-potential and high-performing employees. Under this approach, Collings and Mellahi (2009) believe that certain critical positions should be filled by talented individuals who will contribute to an organisation’s ability to achieve its SCA. Unlike other approaches, this view contrasts with the argument that all positions should be filled by A-grade performers.

Therefore, within this approach, perceiving talented employees as valuable commodities to be attained, regardless of a specific organisational need or whether they fit into the overall objectives of the organisation, is considered problematic (Hartmann et al. 2010). Furthermore, under this definition, employees are categorised as top-level, middle-level or low-level performers, with some observers arguing that developmental activities must solely focus on performers identified at the top level. However, this approach could be considered flawed as it is virtually impossible to fill organisations entirely with A-grade performers (Collings and Mellahi 2009; Hartmann et al. 2010). Within this definition of TM, Collings (2014) defines the TM concept as the management and development of high-performing and high-potential incumbents in critical organisational roles. However, while this management of talented employees may also be perceived as a major source of SCA, the majority of research within TM fails to acknowledge national differences (Hartmann et al. 2010).

Given this lack of acknowledgement of the role of national differences, and in response to the increasing internationalisation of organisations, a “global” dimension to TM (i.e. Global Talent Management, or GTM) has been developed. Tarique and Schuler (2010) argue that effective GTM has become critically important in the field of international human-resource management (IHRM), especially in how multinational organisations can attract appropriate employees. The authors define TM from an IHRM perspective. However, they differentiate between IHRM and GTM by arguing that the former is broader than GTM in terms of stakeholders, HR policies and practices. Vaiman et al. (2012) also define GTM as including organisational initiatives that contribute to attracting, selecting, developing and keeping the best employees in the most important international roles.

What is also noticed is the development of an emphasis on focus, with terms such as “important” and “critical” entering the dictionary of TM and GTM (Cascio and Boudreau 2016). Furthermore, Boudreau et al. (2015) notice the need for greater clarity in the meaning of terms such as “important” and “critical” and thus suggest a specific application of segmentation and value leverage that identifies “pivotal roles” where a change in the quantity or quality of individuals who fill these roles leads to the biggest gains in strategically relevant outcomes (Boudreau et al. 2015, cited in Cascio and Boudreau 2016). Therefore, the first step in strategically

managing talent is to identify these pivotal roles as this will provide a focus for TM and GTM, which will then highlight the current and future characteristics of those who will fill such roles (Boxall 2013).

However, one key limitation within the existing research in the TM field has been the narrow conceptualisation of performance and, specifically, its focus on shareholder returns (Sparrow and Makram 2015; Cascio and Boudreau 2016). As a result of this limitation, scholars are now calling for a wider and multi-stakeholder perspective on the impact of TM and on how value is generated by TM within an organisation and for an understanding of which element of TM is more central to organisational performance (Collings 2014; Sparrow and Makram 2015; Thunnissen and Arensbergen 2015; Cascio and Boudreau 2016). Thus, Sparrow et al. (2014) and Thunnissen and Arensbergen (2015) suggest that data sought through a variety of contexts and industries will be able to advance the field of TM in terms of both its conceptualisation and its intended outcomes. Thunnissen and Arensbergen (2015) claim that the interpretation of talent and TM depends on the characteristics of the organisation and on the circumstances of the external environment. Therefore, in order to understand the multi-dimensional nature of TM, further contextual research is needed.

With respect to these external factors, as indicated in Chapter Two, the Middle Eastern region is facing a range of external influences, such as the policy of nationalisation, the influence of the Arab Spring and the conflicts in Syria which may be impacting on HR practices in general but also on TM in particular. Because of the presence of these external influences, HR scholars such as (Afiouni et al. 2013; Afiouni et al. 2014) have called for a more conceptual and empirical approach to research in order to obtain a comprehensive picture of how these factors contribute to the divergences in TM practice observed in this region when compared with other parts of the world. Boudreau (2013) also calls for a closer examination of how and why different organisational sectors may simultaneously embody different definitions of talent and TM.

For the purposes of this study, the following definition of talent will be used: "... organisationally specific, being highly influenced by the type of industry, having group-level implications, mainly focused on the individual and dynamic and so likely to change over time according to organisational priorities..." (CIPD 2007: p.3). This study will examine how the meaning of TM can be influenced by both

the type of sector and the size of an organisation. In addition to these factors, it is suggested that, in order for a strong understanding and clear definition of TM to be constructed, it is important to explore the factors and contexts that influence the meaning of TM across a variety of sectors and contexts. For example, Jones et al. (2012) argue that, in order to understand the nature of TM, it is necessary to explore the nature of the labour market. Furthermore, Ford et al. (2010) argue that “a coherent TM strategy relies on organisations to create their own definition that meets their specific needs and circumstances” (p.3).

The above arguments provided by different scholars (Boudreau 2013; Collings 2014; Dries et al. 2014; Thunnissen and Arensbergen 2015; Cascio and Boudreau 2016) in the field of TM will be explored in this study through an analysis of TM within the specific context of the banking and petroleum sectors (further details will be provided in Section 3.6).

### **3.3 Talent Management Approaches and Practices**

As discussed in the previous section (3.2), the perceived definition of talent and TM has implications for how TM is approached and practised. Perceiving talent as innate would suggest that an exclusive approach to TM practice would be best adopted as these practices would focus on identification and recruitment of talented employees. On the other hand, where talent is perceived as acquired, an inclusive approach would be suggested, whereby the practices of an organisations focus on the development, training and selection of a wide range of different candidates (Gallardo-Gallardo et al. 2013; Meyers et al. 2013). Furthermore, what has resulted in the greatest debate within the TM literature is whether the approaches of exclusiveness or that of inclusiveness should be adopted. However, in actual practice, both approaches are implemented, though the exclusive approach to talent management is more commonly observed within the current literature and practice (Gallardo-Gallardo et al. 2013; Swailes 2013). Moreover, if talent is not defined as exclusive, the approach is then considered a form of HRM; it also indicates the common perception that the emphasis on developing and retaining high-performing/high-potential individuals will mean less

overall investment for the organisation. As a result, it is clear that the processes underpinning both these TM approaches must be carefully considered.

### **TM: Philosophies and Implications**

Given this importance of considering both these approaches (exclusive vs inclusive), it is necessary to understand the different philosophies of TM, its implications on the nature of the TM approach (exclusive vs inclusive) and how these approaches shape TM in practice. The exclusive approach entails the segmentation of talent according to organisational need while the inclusive entails a more holistic view of talent development. Meyers and van Woerkom (2014) argue that, in order to explain the importance of talent management in contributing to a firm's SCA, there is a need to understand the philosophies surrounding talent that underpin talent management. In order to understand this philosophical underpinning, four philosophies of talent were introduced that differ in how talent is perceived. The perceptions are either: 1- rare (exclusive), universal (inclusive); or 2- stable or developable (the exclusive/stable or developable, inclusive stable/developable talent philosophy).

In addition to these different philosophical categorisations, Meyers et al. (2013) argue that talent-management practice is influenced by the meaning of talent – as either innate or acquired – and whether talent is a stable entity or whether it is capable-developable. If it is a stable entity, this means that TM practices emphasise talent identification and selection, whereas if it is capable-developable, the management practices would instead be focused on talent development. However, these four types of talent philosophies have been developed theoretically, which means that there is a need for further research to test their applicability. Moreover, Gallardo-Gallardo et al. (2013) use different typologies and group these approaches to TM into two categories. The first is the category of the object (exclusive) approach (talent as characteristics of people); the second is that of the subject (inclusive) approach (talent as people). Accordingly, how one defines the meaning of talent will, in turn, have an influence on how one manages talented employees, which in this view relates to the subject approach (inclusive vs exclusive). Furthermore, a report produced by the CIPD (2012) found that an estimated two-fifths of organisations adopted TM activities



for all or most employees, but with more focus placed on high-potential employees and senior managers. The report (CIPD 2012) shows that the most common methods of TM appeared to include coaching and in-house development programmes.

However, there are four philosophies that dominate the literature on TM, as outlined by Collings and Mellahi (2009) – practices, positions, strategic pools and people. However, there are some challenges inherent within each of these philosophies. The practice philosophy suggests a need for advanced and sophisticated HRM practices that are capable of developing the skills and competences of talent. This is based on the assumption in the HR-architecture literature. However, there are issues in defining which bundles of HRM lead to effective TM (Meyers and van Woerkom 2014) and then match it with the strategy of the organisation and institutional contexts (Sparrow and Makram 2015). The second philosophy, meanwhile, is position-based, which suggests that organisations make disproportional investments in strategic positions that add to the competitive advantage of the organisation (Becker et al. 2009). Moreover, Collings and Mellahi (2009) argue that it is important to emphasise these critical positions at different levels of TM in order to reach a strategic position. Yet the challenge faced by organisations, especially those that operate globally, is the issue of internal justice and consistent performance management (Minbaeva and Collings 2013). In the philosophy of strategic pools, there is a focus on the identification of groups and clusters of talent (viewed as people or positions) that have a differential impact on the performance of an organisation (Boudreau and Ramstad 2007). When compared with the position-based philosophy, this approach differs through its support of the use of metrics and of a more open form of thinking to identify whole pools of labour of strategic value (Sparrow and Makram 2015). However, what should be considered is that both of these philosophies (pools and people) suggest an exclusive approach to TM. Also, the pools philosophy has been criticised for creating inequitable systems in terms of payment and promotion among an organisation's employees (Mellahi and Collings 2010).

The final philosophy is the people-based philosophy. Within this context, the people-based philosophy focuses on a small elite group of individuals whose skills are believed to be rare, hard to find and replace and who have qualities that

add significant value to an organisation when compared with those of other employees (Michaels et al. 2001). Within this philosophy, the focus is on high-potential or high-performance employees who have a significant impact on an organisation's success. The philosophy adopts a selective focus, whereby TM may use the tools of HRM but focuses on a specific group (talented employees) to develop talent pools both internal and external to the organisation (Preece et al. 2011).

### **Approaches to TM: Exclusive and Inclusive**

The above four philosophies (practices, positions, strategic pools and people) suggest the idea of an exclusive approach, viewing talent as a form of human capital. Therefore, organisations need to hire individuals with appropriate skills and experience and should focus on the value of high performance and high potential. Much of the theory underlying the exclusive perspective stems from a form of marketing strategy, such as employing brand and segmentation to attract and retain key people (Iles et al. 2010). In this sense, the CIPD (2012) shows that the main objective of TM activities is to develop high-potential employees (62%) and future leaders (59%). Therefore, TM activity is the development of the potential employee. These days, employees seem to ask for more individual treatment and recognition based on their unique competences (Lawler III and Finegold 2000). This can be related to the earlier argument made by Eden (1984), that the identification and labelling of people as talented is believed to produce Pygmalion effects, in that the positive affirmation of being assigned the label of "talented", through heightened self-confidence and role commitment, may lead to an increase in performance. This suggests that employees labelled as talented will demonstrate more motivation and commitment to the organisation. Nevertheless, despite these factors, recent research has suggested that MNCs are frequently unable to identify who their most talented employees are and where they are located (Michaels et al. 2001).

Conversely, Erdogan and Bauer (2011) argue that the differentiated approach among employees will consequently lead to some employees becoming frustrated and that this group will feel underutilised, thus resulting in employee turnover. However, studies on workforce differentiation have also emphasised

the positive influences of this approach on outcomes such as retention, productivity and profitability (Gelens et al. 2013). However, the evaluation and identification of elite group-employees (high performers/high potential), which is usually not only based on objective criteria but also on the involvement of top management and line managers, suggests a level of subjectivity in the identification of talent (Silzer and Church 2010; Gallardo-Gallardo et al. 2013). Another criticism is from the standpoint of organisational effectiveness, which suggests that a focus on elite human capital (e.g. a specific group of people), differentiating employees in terms of rewards and promotions, might create a set of negative side-effects on behaviour and performance in terms of any returns on human capital (Sparrow and Makram 2015).

In addition to these different consequences, Björkman et al. (2013) and Marescaux et al. (2013) have proposed that TM has a significant impact on employees in terms of workforce differentiation and this impact varies between high-potential employees and those not identified as having high potential. For example, these two studies show that employees who perceive that they are being unfavourably treated experience lower affective commitment to their role (Marescaux et al. 2013), are less committed to advancing their skills and to supporting strategic positions, show less identification with focal units and have a more likely intention to leave their position than their co-workers have (Björkman et al. 2013). Thus, some authors in Strategic Human Resource Management (SHRM) (Buckingham and Vosburgh 2001) argue that every employee has his/her own strengths which add value to an organisation's performance. Furthermore, the inclusive approach is commonly justified in the literature under the argument that, within knowledge-based economies; companies are not able to achieve profit without the people from whom this knowledge stems (Tulgan 2002). Within this context, the idea behind inclusive talent management is concerned with deploying the talents of all employees, but does not consider everyone as high-performing individual with high-potential value (Swailes et al. 2014).

It should also be noted that the inclusive definition of talent is found when describing talent under strength-based approaches, as stated by Buckingham and Vosburgh: "... the art of recognising where each employee's areas of natural talent lie and figuring out how to help each employee develop the job-specific

skills and knowledge to turn those talents into real performance.” (2001: p.22). Furthermore, Swailes et al. (2014) argue that, in order to distinguish inclusive talent management from related areas such as strategic HRM, the field needs better theoretical positioning. Therefore, in order to better position this TM field theoretically, they suggest that the concept of inclusive talent management requires a fundamentally different interpretation and construction of talent if scholars and practitioners are to make sense of it relative to its exclusive counterpart. Moreover, Swailes et al. (2014) suggest that there are two interpretations that need to be considered. The first interpretation is where everyone has the opportunity to be included in TM programmes and may require positive action to equalise the opportunities for disadvantaged groups. The second interpretation is where the inclusivity means that everyone is deemed to have talent at some level and should therefore have access to programmes that identify and locate their unique level of talent and implement it accordingly to the benefit of the organisation (Swailes et al. 2014). Swailes et al. (2014) create a new approach, denoted as Final Inclusive Talent Management (FITM), which is defined as “the recognition and acceptance that all employees have talent together with the ongoing evaluation and deployment of employees in positions that give the best fit and opportunity for employees to use those talents...” (2014: 533).

Therefore, supporters of the inclusive approach (e.g. Buckingham and Vosburgh 2001) believe in the importance of developing and training all employees in order to decrease the negative effects of differentiation amongst employees in the workforce (e.g. high turnover and low productivity of employees who have not been identified as possessing talent). This approach appeared after McKinsey (2008) published research demonstrating the importance of the contribution made by “B players” in enhancing the performance of an organisation. Furthermore, according to the special edition of *Public Personnel Management* (2008) on TM, the inclusive approach is more suitable for the public sector as the ethos of the public sector is, by default, community-oriented (including staff) rather than centred on aggressively increasing the organisation’s profits (Ford et al. 2010). Examples that illustrate this are the interviews with senior managers in 34 of the 37 NHS organisations in Yorkshire and Humberside, which show that the NHS, as a public organisation, tends to prefer an “inclusive” approach that aims to develop the talents of all staff. In turn, this perhaps explains why the bulk

of stakeholders in the NHS perceive talent as nurtured and acquired rather than completely innate (Ford et al. 2010).

However, although the inclusive approach may help to promote equity among employees within an organisation, limited resources and the high cost of training can limit the ability of an organisation to choose the inclusive approach. From a practical standpoint, Lin (2006) argues that adopting an inclusive approach to TM may incur unnecessarily high costs for an organisation's HR budget. However, as well as these financial concerns, the main criticism of this approach is the difficulty in differentiating between TM and strategic human-resource management (SHRM). In other words, the concern is that, if TM involves an entire organisation's workforce, it subsequently becomes a collection of HR processes such as recruitment, selection, training, development and retention.

As a result of this concern, it may be concluded by many organisations that a TM strategy centred around workforce segmentation, and based on the identification of select pools of high-performing or high-potential personnel, is the more common approach (Gallardo-Gallardo et al. 2013). However, according to Gallardo-Gallardo et al. (2013), it should also be considered that both these perspectives (inclusive and exclusive) on TM present their own drawbacks as well as merits, which in many cases means that the approach adopted by an organisation is also influenced by its unique company mission and culture. Furthermore, Sparrow et al. (2011) and Stahl et al. (2012) argue that organisations tend to adopt both an inclusive and an exclusive approach, even when the exclusive approach seems to be the more popular alternative. In their study on global TM, Stahl et al. (2012) find that many companies use a combination of inclusive and exclusive approaches. Stahl et al. (2012) argue that combining these two approaches allows for differentiation and enables organisations to mitigate the controversial side-effect of some employees being treated as more valuable than others, which is found under a wholly exclusive approach.

In light of this combined approach to TM, Jones et al. (2012) claim that some studies, such as (Iles et al. 2010), advocate a shift from a wholly individualistic focus to a more strategic level. However, it is noted that studies have not yet examined whether organisations adopt individualistic or strategic approaches when implementing their TM. Jones et al. (2012) conducted a study of Australian

companies by adopting a qualitative method to explore the nature of TM and to determine whether an organisation adopts individualistic or strategic approaches to their TM practice. Under an individualistic approach, organisational performance is seen as the result of the individual efforts of its employees, thus encouraging organisations to focus on how to attract, develop and retain talented employees. Conversely, the strategic perspective focuses instead on identifying critical positions rather than talented individuals, arguing that the performance of individuals is strongly influenced by firm-specific factors, such as leadership, team, process and system. Furthermore, this study identifies that the selection of either a strategic or individualistic approach is determined by the business-unit level as well as by the nature of the labour market (Jones et al. 2012).

However, this finding cannot be generalised in terms of all organisations for several reasons. First, as Iles et al. (2010) claim, the adoption of TM approaches may vary across sector, size and nationality. Additionally, the sample and the methodology employed by this study can also be subject to criticism. Second, it should also be considered that this study has not mentioned the factors influencing the decision on which of these two approaches were selected and has not been successful in explaining why Australian organisations prefer the individualistic rather than the strategic approach. Therefore, despite the valuable indications of this study, further research should be conducted within a broader set of contexts to provide an understanding of the factors and mechanisms underlying these two approaches.

Therefore, it seems that organisations should determine their positions regarding the inclusive and exclusive stance, asking themselves whether they require top talent at every organisational role or whether there is a limited number of roles that really require talented individuals, such as strategic positions (Collings and Mellahi 2013).

### **TM Practices: External and Internal Resources**

The chosen implementation of TM practices will vary upon the approach followed by the organisation. For example, if the organisation adopts an exclusive approach, the practices will focus mainly on identifying high-potential or high-performance employees. On the other hand, if an organisation adopts an

inclusive approach, the focus will be on developing and training all aspects of its workforce. Therefore, TM approaches pertaining to inclusiveness vs exclusiveness raise deeper issues in the context of how TM is practised, such as when identifying, developing and retaining talented employees. Stahl et al. (2012) discovered that most companies follow a talent-pool strategy, with the talented employees in this pool receiving special treatment in order to accelerate their development and performance. Stahl et al. (2012) also argue that companies should regard their recruits as customers and apply sophisticated marketing models to ensure that these talented individuals are attracted towards staying with the company.

With regard to developing talent, Haskins and Shaffer (2010) argue that organisations must develop the appropriate talent and accordingly attract the appropriate candidates at the correct time and in the appropriate manner in order to secure their talent pipeline. Building on this, McDonnell and Collings (2011) advise organisations to adopt alternative approaches to implementing, making (*developing talented employees within the company*) or buying (*recruiting talent from outside the organisation*) talent in order to strike a balance in the talent both external and internal to the organisation. In response to this necessity, Cappelli (2008) developed a “talent on demand” framework to control the demand-supply gap based on supply-chain management in which he refers to the optimal equilibrium between recruiting from the external labour market and the focus needed on the training and development of internal candidates.

With regard to retention of talent, suitable development programmes for talented employees have a significant impact on the retention of valuable assets in an organisation. For instance, research indicates that organisations with apposite development programmes, which focus on their talented employees, will be in a stronger position to retain their key employees (Holland et al. 2007). In addition, a study of the effects of human-resource practices on the attractiveness of the organisations in 115 multinational and 204 domestic companies in Western Europe indicates that the most effective practices for retaining talented employees are the implementation of training and development opportunities that enhance the level of teamwork and the participation of an organisation’s employees (Hiltrop 1999). On the other hand, Stahl et al. (2007) emphasise the importance of creating and delivering a compelling employee-value proposition,

personalised career plans and highly competitive compensation as well as facilitating a healthy balance between personal and professional lives, arguing that these elements are critical for a successful TM system.

As well as acknowledging factors such as the importance of a healthy work-life balance, organisations should also realise that the psychological contract between the employer and employee is changing, in response to which organisations should create policies and practices that attract talented employees and create challenging and career-enhancing work experiences. However, Holland et al. (2007), in their study exploring human-resources development in Australia, show that Australian organisations focus less of their resources on attraction, development and retention, instead concentrating more on recruitment and selection. Australian organisations believe that the process of recruitment and selection is a more important source of competitive advantage than the process of developing and retaining employees.

Moreover, Scott-Ladd et al. (2010) examined the practice of attracting and retaining talented employees in Australian companies in terms of social-organisational support. The study found that employees evaluated companies with regard to work-life balance and deeper cognitive issues related to stress and also assessed the flexibility of the system. It can be observed that the expectations of employees have changed compared with previous generations and that organisations should consider significant social-cognitive issues when implementing retention practices. Schuler et al. (2011) argue that the success of organisations today is dependent upon how effectively they identify and manage the talent challenges with which they are confronted and how they adapt to these challenges as they evolve and develop. Meanwhile, Dries (2013) argues that talent-management practices should focus more on the selection and development of talented employees.

### **The Context and Cultural Impact on TM Practice**

TM practices may vary depending on the context and culture of an organisation. Thus, it is important to understand the influence of socio-cultural and institutional factors in shaping the TM phenomenon within a particular context. Guerri and Shani (2013), in their study on TM practices in Italian companies (in terms of



training and development), found that the “talents” (referring to talented employees) had different training and development opportunities compared with those employees not included within the talent pool. This was evident, for example, in terms of both quantity (e.g. the company invests more resources in training talents) and quality (e.g. providing well-developed programmes).

Efforts made by organisations to adapt their internal approaches to TM in order to respond to institutional pressures have also been highlighted by Chabault et al. (2012), who state that French organisations operating within a cluster environment have adopted TM practices in order to survive in this highly competitive environment. French organisations identify talent by requesting proposals, which means that each member of the group tries to identify individuals within their organisations who are best able to integrate efficiently into proposed new and innovative projects (exclusive approach). Chabault et al. (2012) revealed that the organisations believed that their real challenge was to retain talented employees. As a result, these clusters implemented the idea of a “pollinisation effect”. Within this approach, talented individuals need other organisational contexts in order to thrive and develop professionally and have, as a result, developed a workplace environment that encourages global mobility (Chabault et al. 2012). The concept of talent mobility means that organisations operating within the same industry can exchange talent practices in order to develop and improve the performance of their talented employees. However, in regard to context, size and culture, practices implemented by these clusters may not be applicable and general to other clusters within different contexts. This is further complicated by a scarcity of theoretical and empirical research on how to manage talented employees.

In contrast to these French organisations, a study of 58 organisations in Poland by Skuza et al. (2013) found that the predominant development programmes for talented employees were concerned with note-based learning rather than action learning. This is because of certain challenges faced by Polish organisations, such as the low value ascribed to training, a low acceptance of failure, an unwillingness to include employees in the decision-making process and the fact that managers treat high-potential personnel as a threat to their own positions. Furthermore, this study shows that the criteria for the identification of talent are based on experience, technical abilities and knowledge rather than on leadership

or personal skills. This deficiency is arguably a consequence of limited interaction with top management, a lack of acceptance of individual success and a reliance on personal relations and private networks when making management decisions (Skuza et al. 2013). Therefore, it could be argued that the identification and development of talent in Polish organisations (Skuza et al. 2013) comes into direct contradiction with Western organisational approaches which consider talent as a personal attribute that stems from competences and skill sets. This distinction between these Polish case organisations and those identified under a Western context may relate to the role of cultural, contextual and institutional factors that influence and shape TM according to these unique contextual influences.

However, globally, there are a number of empirical studies that reveal differences between local and multinational companies that operate in the same context in terms of TM practices. One example of this was a study on TM operating in the Russian context that explored the comparison between Russian and foreign organisations. In this study, Latukha (2015) found that Russian and foreign companies did not, in fact, share an agreed definition of TM, as there was no particular and precise understanding of TM within the Russian context. Furthermore, the study demonstrated that Russian companies tended to adopt an individual approach when conducting their TM, whereas foreign companies elaborated upon a more general TM strategy. However, it should also be noted that this study did not clarify factors or assumptions concerning different approaches in managing talent between these two different types of companies (local and foreign). Also, the study identified a number of factors of successfully implemented talent-management systems within the Russian context such as: corporate culture; involvement of management; values of employees; workforce policy; labour-market conditions; and industry and economic growth. Latukha (2015) argues that the results of the study are aligned with literature (Skuza et al. 2013) in showing that both external and internal factors influence TM system in companies from emerging markets.

Furthermore, a study on the development of tomorrow's leaders (McDonnell et al. 2010) shows that a significant number of MNCs have systems and mechanisms in place to identify and develop their talent and that most of them adopt an *ad hoc* or random approach. For example, less than half of all MNCs

have both global succession planning and formal management-development programmes for their high-potential personnel. As a consequence, a universal appreciation of the need to manage key employees within an organisation strategically still appears somewhat distant (McDonnell et al. 2010).

However, Ewerlin (2013) argues that there is a scarcity of research on whether the presence of GTM practices increases the favourability of companies when seeking to attract talent and to what extent this effect is shaped by the contents of GTM practices and the cultural background of talented individuals. Because of this scarcity of research, Ewerlin (2013) investigated the influence of GTM programmes on the attractiveness of the employer and how these can be moderated by cultural factors. In this study, it was demonstrated that employer attractiveness is not influenced by GTM programmes, but rather by the contents of these programmes and the cultural background of the talented individuals themselves. This suggests that these cultural dimensions impact on the attractiveness of talented individuals in terms of talent management.

Furthermore, Ewerlin (2013) suggests that it will be necessary for GTM programmes to differentiate between different cultures and that employer attractiveness would otherwise decrease, on average, where the individualism of the countries is uniformly distributed. In the same vein, within their study on the bi-cultural option for GTM, an example of Japanese/Brazilian group, Furusawa and Brewster (2015) revealed that the Japanese/Brazilian (Nikkeijin) group was recognised as a source of talent by Japanese multinational companies. However, it was also found that their HRM practices were not appropriate to be used in an attempt to attract talent in their global talent-management programmes. As a result of this consideration, Furusawa and Brewster (2015) have suggested that, in order to attract and develop the bi-cultural group, MNCs need to develop better policies and improve their outward image to the outside community.

Overall, in exploring these different TM management approaches and practices, Stahl et al. (2012) emphasised the importance of aligning TM practices and activities with the external and internal environment of the company and showed how these practices were best served only within the context for which they were designed. In addition to this importance, Dries et al. (2014) also argue that there is a need for more research to explore and understand the different approaches to talent management that exist within a particular organisation and most

importantly how different beliefs and mind-sets are able to shape talent as well as the TM approach chosen by a given organisation.

### **3.4 Theory Underpinning TM**

The existing literature on TM shows that it lacks a robust theoretical and empirical base (Lewis and Heckman 2006; Collings and Mellahi 2009; Collings and Mellahi 2013; Thunnissen et al. 2013a; Collings et al. 2015; Beamond et al. 2016). Swailes (2013) argues that the field of TM suffers from the lack of an integrative theory; however, there are some critical theoretical perspectives that could explain why TM is pursued by organisations. For example, Beamond et al. (2016) argue that the use of Institutional theory will help to provide a comprehensive picture of the TM phenomenon. On the other hand, Gelens et al. (2013) claim that TM has never been based on an appropriate theory and therefore one should expect to see major differences in how TM is defined and approached. In addition to this lack of interrogative theory, the scholarly peer-review of TM is still lagging behind (Dries 2013). As a result of this weak theoretical foundation, TM still has a one-dimensional approach that limits our understanding of the concept of “talent” in more depth (Thunnissen et al. 2013b).

Because of this consideration, there is a need to move from a one-dimensional model to a more pluralistic approach by involving the theoretical perspective, such as Institutional theory, that may differ between organisations depending on the surrounding social and economic environment (Thunnissen et al. 2013b; Thunnissen and Arensbergen 2015; Cascio and Boudreau 2016).

Having identified various gaps in the TM literature, this thesis will utilise the theoretical perspective of Institutional Theory in order to examine the nature of TM within banking and petroleum organisations. Furthermore, this theory has been selected for its explicit ability to illuminate the nature of TM in terms of TM approaches, their effectiveness and their impact. The study will investigate why organisations choose a particular TM approach in order to manage their talented employees. It will examine how external and internal factors influence TM within organisations and also how the different involvement of constituents with their characteristics (e.g. age and ethnicity) may influence the implementation of TM

and its effectiveness. Furthermore, it will examine how the selection of a particular approach impacts on employee commitment within the context of Oman's banking and petroleum organisations.

### **3.4.1 Institutional Theory and TM**

Bowman and Hird (2014) argue that, in order to ensure an effective TM that could be implemented across a range of different cultures, TM strategies must attend to broader motives other than the differing economic factors surrounding each organisation. In addition to stressing this importance, Vaiman and Brewster (2015) argue that TM strategies need to consider the institutional context in which decisions are made, as well as the nature of careers and the role of social status. Paauwe and Boselie (2003) claim that the differences in embeddedness and institutional settings between nations affect the nature of HRM in terms of policies and practices. For example, Oman and its institutional environment might shape the ways in which TM is conceptualised and operationalised. Therefore, there is a need to provide a full examination of TM systems from the institutional perspective. The following paragraphs will evaluate how institutional theory helps firms to evaluate the external and internal factors in order to shape their strategy and specifically how institutional factors can influence the selection of TM approaches and practices.

Institutional theory has been developed to offer a powerful explanation for individual and organisational action (Dacin et al. 2002). As a result of developing this explanation, this theory has been designed to account for the powerful institutions that drive change and shape the contexts in which organisations operate. Furthermore, Zucker (1977: p.728) defines Institutional theory as pertaining to two different theoretical approaches: "1- rule-like, qualities of social factors leading to an organised pattern of action (exterior); and 2- an embedding in formal structures such as formal aspects of organisations that are not tied to particular actors or situations" (Zucker 1977, cited in Zucker 1987). From this definition, Zucker (1977) argues that Institutional theory has two distinct theoretical approaches. The first of these is "environment-as-institutions" which assumes that basic processes are a reproduction or copying of system-wide (e.g. sector-wide) social facts on an organisational level. The second approach,

through the lens of “organisations-as-institutions”, argues that the central process is generation (e.g. creation of a new cultural element) at the organisational element (Zucker 1987). Furthermore, Bellah et al. (1991) defined institutions as “patterns of social activity that give shape to collective and individual experience. An institution is a complex whole that guides and sustains individual identity and institutions form individuals by making possible or impossible certain ways of behaving and relating to others. They shape character by assigning responsibility, demanding accountability, and providing the standards in terms of which each person recognizes the excellence of his or her achievements...” (p.40). For example, the changes in the GCC context in terms of nationalisation policy, the high number of expatriates in the workforces of private-sector organisations and instability in oil prices can correspond to some degree to rational-choice institutionalism. Morgan and Hauptmeier (2014) defined rational-choice institutionalism as “shared patterns of action that economic agents devise in order to overcome uncertainty” (p.191). So, institutional change happens when agents make decisions that maximise their utility after being affected by exogenous shocks. In Oman, for example, these include the need to diversify the economy in order to reduce dependence on oil production and to introduce a nationalisation policy that would push organisations to recruit a local workforce at different managerial levels. Organisations therefore, have sought to implement and introduce new policies and structures that fit into this new regulation (nationalisation policy).

Morgan and Hauptmeier (2014) propose that, under rational-choice institutionalism, new institutional structures are generated that might use features of the old regime in new ways. Historical institutionalism (Steinmo et al. 1992), meanwhile, suggests that institutions are not only products of rational choices, but are path-dependent, built up over time and dependent upon a country’s historical roots which shape actors’ preferences and actions. This approach assumes that actors are passive and that choice is, to some degree, predetermined. Historical institutionalism favors stasis and suggests that radical institutional change is not possible (Al Amri et al. 2016).

Sociological institutionalism or new institutionalism considers organisations as social entities that seek approval for their performance in socially constructed environments (Scott 1995). Within this approach, the focus is shifted to the

normative contexts within which organisations exist. Therefore an understanding of organisational structures and actions cannot be understood separately from their social environment. In other words, the institutional approach to understanding TM strongly emphasises the aspects of social structure such as rules, norms and routines that will guide one or influence one to embrace particular social behaviours (Scott 2004). Additionally, Scott (1995) argues that organisations should respond to the rules and systems that exist in an environment in order to grow and survive.

Examples of factors to which an organisation would need to adapt are the social, economic and political factors that exist in specific environments that provide organisations with an advantage for engaging in particular types of activities, especially if these factors act as supportive tools for an organisation. In addition to this importance of an organisation adapting in response to these institutional influences, institutional theorists also state that the institutional environment can strongly influence the development of structures within organisations internally (DiMaggio 1988). Within this framework, Institutional theory suggests that institutionalised activities are the result of interrelated processes at different levels, such as individual level (the manager's norms), the firm level (corporate culture), and the inter-organisation level (government regulations) (DiMaggio and Powell 1983).

The main contributions to Institutional theory are DiMaggio and Powell's (1983) framework and Scott's (1995) framework. DiMaggio and Powell (1983) demonstrate that, in order to gain legitimacy, firms need to increase the homogeneity of organisational structures in an institutional environment. As a result of this need for increased homogeneity, they propose three types of pressure: mimetic, coercive and normative.

Mimetic pressures imitate the successful practices used by other firms in order to gain legitimacy, such as replicating TM practices of the most successful organisations within the same environment for competitive advantage. Coercive pressures stem from other organisations upon which firms are dependent and which, by cultural expectations, encourage organisations to become similar (Boon et al. 2009). For example, the government's regulation (Omanisation policy) sets sectoral targets for the recruitment of local workers and the failure to achieve the requirement of this nationalisation policy may result in governmental

sanctions. This might play an important role – either positively or negatively – in an organisation's TM practices. Finally, DiMaggio and Powell (1983) described normative pressure as the collective struggle of members of an occupation to define the conditions and methods of their work, to control the production of products and to establish a cognitive base and legitimation for their occupational autonomy. For instance, TM systems in specific and unique cultures, such as that of Oman, may not be socially acceptable as they may create concerns and sensitivity among employees; thus, such beliefs may impact upon the effectiveness of the TM system in private-sector organisations. The nature of TM, therefore, will depend upon the extent to which such practice is considered good practice amongst key decision makers, line managers, HR directors and employees.

Therefore it can be argued that understanding these different pressures, as proposed by DiMaggio and Powell (1983), will enable us to examine critically how TM systems will be affected by these pressures and to determine which of these pressures has a significant effect on the TM approach in the private-sector banking and petroleum organisations of Oman. Furthermore, Scott's (1995) framework outlines three types of institutional environment – regulatory, cognitive and normative – each of which is motivated by coercive, mimetic and normative types of pressure. Moreover, each of these provides a basis for legitimacy, a notion previously developed by DiMaggio and Powell (1983). A regulatory institution represents rules and laws that promote certain types of behaviour that may restrict the flexibility of an organisation's structure. Inability to achieve regulation may prevent the firm from accessing resources or from gaining support from top levels of government (Scott 1995). Furthermore, cognitive components mean shared social knowledge and shared conceptions of reality in a particular society (Scott 1995). In other words, it is assumed that legitimacy stems from the adoption of a common frame of reference for the situation (Owens et al. 2013). Moreover, Yiu and Makino (2002) suggest two ways in which firms can achieve cognitive legitimacy. The first is external mimetic behaviour which imitates successful firms in a sector through the adoption of similar systems such as HR practices. And the second is internal mimetic behaviour which means conforming to internal routines and habitual behaviour from past experience (Owens et al. 2013). Lately, the third type of environment in Scott's framework is normative,



which denotes the values, beliefs and norms of human action considered acceptable behaviour from cultural perspectives.

As a consequence, these three types make up the institutional profile of a specific sector or country (Boon et al. 2009). Kostova and Roth (2002) define the institutional profile as the issue-specific set of regulatory, cognitive and normative institutions in a given country. Arguably, if institutional pressures are country- or sector-specific, isomorphic mechanisms lead to fewer differences in organisational strategies within the same country. This means that, from the research perspective, it is possible to ascertain whether these organisations, operating within the same environment, have a similar TM approach or not. Furthermore, sociological institutionalism suggests the need for organisations to monitor the practice of organisations in order to ensure the articulation and distribution of best practice (Brunsson and Sahlin-Andersson 2000; Morgan and Hauptmeier 2014). For example, Oman has developed various different institutions (ministries) to ensure that practice aligns with institutional diktat (Al Amri et al. 2016).

However, DiMaggio (1988) criticises Institutional theory for excluding the ability of organisations and individuals to adopt strategic action. At the same time, Scott (1995) argues that organisations can be active players in influencing and shaping their structure rather than merely depending on the institutional forces at play. Therefore, organisations can control institutional pressures through pro-active strategies (Owens et al. 2013). As a response to this limitation of Institutional theory, Oliver (1997) has developed a theoretical framework proposing five categories of strategic responses that organisations can employ to deal with institutional pressures. These five categories describe different levels of firms' resistance to institutional pressures: acquiescence, compromise, avoidance, defiance and manipulation (Owens et al. 2013).

On the other hand, it should be considered that Institutional theory is widely used within business and management literature, such as in the areas of performance and human-resource practices. For example, many studies demonstrate that company growth can be affected by institutional factors (Dias and Tebaldi 2012; Owens et al. 2013). In the human-resource practices of an organisation, Siu Chow (2004) found that the relationship between HR practices and the effectiveness of these practices depended on the degree to which they fit with the

institutional environment. Additionally, Boon et al. (2009) empirically examined how institutional pressures help to shape HRM practices in three Dutch organisations by applying the concepts of leeway, human agency and strategic choice. In their study, they illustrated how attempts to balance competitive and institutional pressures affected HRM practices in these organisations. Furthermore, Heikkilä (2013) studied e-HRM and strategic-information systems within a multinational corporation subsidiary setting by adopting the principle of Institutional theory. It was found that institutional pressures created positive transformational and negative dysfunctional consequences for subsidiaries and that the subsidiary response to these pressures could substantially affect the ability of information systems to achieve their strategic potential.

Although there are a number of researchers who have explored the role of institutional factors and their influence on TM, such as (Preece et al. 2011; Festing et al. 2013; Sidani and Al Ariss 2014; Tatoglu et al. 2016), Beamond et al. (2016) emphasis on the importance of considering Institutional theory in supporting the advancement of the TM field. Festing et al. (2013) found that pressure within SME environments leads to the adoption of typical features ascribed to the German national business system. Additionally, in their study on TM in seven companies in Beijing, Preece et al. (2011) found that TM in these companies was influenced by the role of fashion-setters and followers in the fashion-setting process.

Recently, Tatoglu et al. (2016) examined the differences between TM motives and practices amongst MNEs (Multi-National Enterprises) and local firms in Turkey by using Institutional and RBV theories. The study shows that there is no significant difference in terms of the relative importance of strategic motives for TM between MNEs and local firms, although MNEs do seem to be more tactically oriented than the local firms are. However, the study found a difference amongst MNEs and local firms with respect to TM practices; for example, MNEs are more likely to use work-based systems and HRM-led systems. Yet MNEs do not differ from the Turkish local firms in using career-portfolio planning. The results of the study indicate that the motives for TM and practices in the Turkish context are society-bounded, which means that there is a significant influence of the institutional perspective on both organisations, local vs MENS, in terms of TM motives and practices.

Furthermore, in their examination of TM practices in the GCC (Gulf Countries Council), Sidani and Al Ariss (2014) found that organisational responses to the policy of nationalisation were manifested through different TM policies and development initiatives among expatriate and local workers. Arguably, this exacerbated the sense of inequity, with the latter, local group receiving more development opportunities despite producing a lower return on investment. Here they described TM in the GCC as still lagging behind when compared with organisations within a Western context, with different dynamics surrounding the expatriates and the allocation of female talent still far from being comparable in nature. However, the above studies fail to explain the specific institutional pressures that influence the decision to select a particular approach to TM and they present certain limitations. For instance, they do not explain the specific pressures that may influence the decision to select a particular approach to TM in regard to the inclusive vs exclusive debate and they fail to examine the influence of culture on meaning to TM and how these meanings are consistent with TM strategy and practice.

Overall, it can be argued that this new development of Institutional theory can explain why and how talent management policies and practices are shaped and selected in a particular way. For example, the question of why organisations have adopted TM practices in the light of the TM concept. Organisations may adopt them not to face environmental forces, but rather to implement more active strategic goals and objectives. Yet there remains a lack of research in TM literature from an institutional perspective, examining how these pressures influence TM in an organisation. As a result of this need for further examination, this study will utilise Institutional theory as a lens through which factors that influence TM and its effectiveness can be examined in Oman's private-sector organisations and used to further the understanding of why organisations in Oman are adopting TM.

#### **3.4.1.1 Relevance of Institutional Theory for the Study of TM**

An organisation's aim is often that of long-term survival and sustainability and to achieve this aim it must gain legitimacy from institutional contexts. In order to gain legitimacy, organisations must adapt their practices to the context of the rules and requirements of the surrounding institutional environments in which they

operate (Boon et al. 2009). Meyer and Rowan (1977: p.352) state that “organisational success depends on factors other than the efficient coordination and control of productive activities. And independent of their productive efficiency, organisations which exist in highly elaborated institutional environments and succeed in becoming isomorphic within these environments gain the legitimacy and resources needed to survive...” (Meyer and Rowan 1977, cited in Boon et al. 2009).

As a consequence of this understanding, there is a need in the TM literature to explore the consequences of institutional factors for the TM and its effectiveness. Drawing on this institutional perspective, the premise of this study is that institutional factors may influence the implementation of TM and its effectiveness within Oman’s private-sector organisations. Under this focus, this study will focus on the external factors, including that of the government, as a form of coercive pressure. It will also look on that of competitors as a form of mimetic pressure. And it will consider internal factors, being a normative pressure, that are involved in the formation of TM, which include the strategic manager, the human-resource manager and TM advisers. Moreover, this study is specifically interested in the institutional pressures that were developed by DiMaggio and Powell (1983) and Scott (1995) which impact on the process of TM within these Oman-based organisations.

### **3.5 Previous Empirical Research on TM**

The purpose of this section is to illustrate and synthesise the outcomes of empirical studies that have emerged from the systematic literature review. Hence, the outcome of this review will be used as a justification for the present study. Among the literature on TM, some researchers have studied the link between talent management and the performance of an organisation. For example, Aguinis et al. (2012) argue that, in order to win the so-called “war for talent”, companies should associate the inclusion of talented employees with their firms’ performances. Meanwhile, Joyce and Slocum (2012) discuss how the strategic capabilities of firms are aligned with the impact of talent among senior managers to affect an organisation’s financial performance. Here, they argue that, in order to gain a competitive advantage, the strategy should be based on the side of

demand and on the unique choices that a firm makes about its value chain. Furthermore, Joyce and Slocum (2012) claim that TM practices contribute to a firm's performance through four foundational capabilities: strategy, structure, culture and execution. However, this study uses factual books as primary sources of data, a strategy that is sometimes unable to produce an in-depth understanding of a given issue subject to ongoing change within a contemporary environment, such as the situation in Oman.

Megri (2014) researched the impact of TM on enterprise performance in Algeria and found a significant impact on organisations' performances. As a result of this study, Algerian organisations are currently attempting to develop and improve the different TM practices and policies so as to enable them to attract more talented individuals and retain them for the long term. However, the study also suggested that there was a need for more structured selection criteria to identify and retain the right talent, a process which, within some organisations, was still not effective.

Furthermore, Guerri and Shani (2013) explored TM and its impact on HRD by conducting case-studies of four Italian companies. The results showed that, within the Italian context, talent is managed for very different organisational objectives, with the aim of fostering a segmented approach to the workforce and committing top and line managers to HRD activities. However, despite contributing to the understanding of a recently developed area of interest for HRD, the study does present some limitations. First, the findings cannot be generalised. And second, the sample size of companies involved in the research was limited. Moreover, other limitations concerned the participants involved, as the study focused solely on senior managers, while excluding line managers and employees.

In addition to the Italian study, Skuza et al. (2013) completed a study on Polish organisations to determine the success and failure of TM. Within this research, it was indicated that there was little evidence to suggest that Polish practice was in accordance with the approach of TM under Western models. The result of the study was that the major barriers to effective TM appeared to be the mindsets of employees and managers, as well as the internal culture of the organisation. However, these authors argue that the study will prompt other researchers to adopt a larger and more representative sample in order to determine how the effectiveness of TM may be affected by the mindset of employees, managers and

traditional management practice. Furthermore, Tansley et al. (2013) aimed to investigate the experiences of organisational talent as employees advanced through stages of the TM programme and to identify ways in which identity-work plays a salient role throughout the transitional processes. The study found that TM programmes were prerequisites for TM to be advanced successfully, that the role of identity-work was also related to specific stages and that such advancement was found within ambiguous and fluid relationships and contexts.

As a result of the findings, the authors have emphasised the importance of linking work identity when designing TM techniques. Here, Thunnissen et al. (2013b) provide a critical overview of the existing academic literature on TM in order to explore the meaning of TM and the effects of TM practices and techniques. Overall, the review indicates that the current TM literature has a one-dimensional, managerialist and unitarist approach. Moreover, given the different perspectives on such matters as Stakeholder theory provided by these authors, it is fair to say that this current limitation may be overcome following future research on TM in this area.

In response to calls for research on the importance of expanding TM from specific types of organisations to small and medium-sized organisations and exploring how this phenomenon has affected these types of business, Festing et al. (2013) have explored the nature of TM in small and medium-sized German enterprises by conducting a quantitative study consisting of 700 companies. The results indicate that most German SMEs prefer a more inclusive approach that targets all employees, whereas large multinational enterprises choose the exclusive approach because they respond in their TM activities to the long-term oriented characteristics of by adopting a more strategic approach and this may explain country-specific influences on TM, as well as sector-specific features (Festing et al. 2013). However, this research had some limitations: The study employed a questionnaire with only 24 questions, which may have limited the understanding of the surrounding phenomena. In addition to this study, Valverde et al. (2013) studied the characteristics of TM in medium-sized Spanish organisations by adopting a multiple case-study in order to analyse perceptions, definitions and practices of TM. Here, it was found that there was very little awareness of the term and rhetoric of TM even when TM principles were applied. However, as with the former, this study also had its own limitations. For example, the sample should

have included other types of organisations in Spain in order to provide an understanding of how the concept of TM was perceived generally across Spanish organisations. Furthermore, other studies in Spain and Belgium have discussed TM and have linked it with other disciplines such as career management and organisational learning (De Vos and Dries 2013; Oltra and Vivas-López 2013).

Recently, a number of new studies have been conducted on TM in nations with different perspectives. For example, Kulkarni and Scullion (2015) examine talent-management activities of disability training and placement agencies in India. The study shows that Indian agencies prefer to engage in non-traditional and ad-hoc approaches in order to build and showcase the under-utilised talent of those with a disability. However, this result cannot be generalised as it is limited to a group of people in a particular context, which implies that the results might be different in other nations. Therefore, the authors (Kulkarni and Scullion 2015) argue that there is a need for more empirical research in a wider range of nations and on the perspectives of different stakeholders (e.g. top management, HR managers, line managers and employees). In addition, in their study, Sidani and Al Ariss (2014) highlight the problems caused by mimetic and coercive influence in the institutional environment. In their examination of TM practices in the GCC (Gulf Countries Council), they found that organisational responses to nationalisation policy were manifested through different TM policies and development initiatives among expatriate and local workers.

Additionally, a comparative study was conducted between two different nations, India and China (Cooke et al. 2014), in order to examine how talent management was understood and what TM practices existed in Indian and Chinese organisations. The study revealed the centrality of materialistic values in the evolving, contemporary employment relationships in the two countries and found that the concept of TM and its practices were heavily influenced by institutional, cultural, industrial, organisational and individual factors. Cooke et al. (2014) suggest a need for further research to consider different groups of people involved in TM in order to get a wider understanding of the TM concept and its practices. TM practices must also be implemented suitably for the unique setting of each organisation. Moreover, this comes into alignment with the argument of Thunnissen and Arensbergen (2015) that the interpretation of talent depends on the position and responsibilities, as well as the work experience, of the actor

involved in TM. As a result of these studies, in order to capture talent precisely, it appears that a pluralist, multi-stakeholder approach will be needed.

Furthermore, in a comparative case-study analysis of gender inclusion in talent practices in the German media industry, Festing et al. (2015) find that female talent is faced with specific challenges and that this is a result of the dominance of male nominators and the risk of sex-related bias in talent nomination. However these organisations do pursue certain measures to reduce sex-based discrimination. Additionally, Festing et al. (2015) argue that there is a need for more research to explore and understand the complex interactions between the number of women in management positions and the individual perceptions, preferences and design of TM practices.

Despite the range of studies that have been undertaken in the field of TM and its empirical contributions, some of which are examined in this systematic literature review, it can be concluded that there is still a scarcity of empirical research on TM (Dries 2013; Collings et al. 2015; Beamond et al. 2016; Cascio and Boudreau 2016). For example, further research on TM should explore how and why TM is defined differently among different organisations and sectors (Boudreau 2013). Furthermore, Khilji et al. (2015) argue that it is important to consider macro as well as national levels, such as the influence of government regulation, and to take into account the features of the surrounding economic environment (Vaiman and Brewster 2015) in understanding TM. As well as highlighting these important factors, other scholars (Iles et al. 2010; Sparrow et al. 2014; Gallardo-Gallardo et al. 2015) have outlined the importance of exploring TM within different nations and contexts in order to examine the factors that impact on the effectiveness of TM. Given this view, it may be time to examine TM by making cross-sector comparisons in order to explore this area in more depth, as suggested by (Meyers et al. 2013; Beamond et al. 2016).

As a phenomenon, TM is rather new and controversial in the Middle Eastern region, and Oman in particular. Despite the amount of research devoted to TM, there is no research on the nature of TM in an Omani context. Furthermore, as discussed in the previous chapter, a number of studies emphasise the importance of the institutional and cultural factors that influence HR and TM in particular (Budhwar and Mellahi 2007; Mellahi and Budhwar 2010; Afiouni et al. 2014; Tatoglu et al. 2016) and discuss social challenges while implementing TM.



Therefore, the present study (see Section 3.6) will explore banking and petroleum companies in non-Western nations in order to enhance our understanding of the consequences of TM in another novel context, that of Oman. Management practices in countries such as Oman appear, in many studies, to differ from the Western context. Thus, there is a strong case for moving beyond this context and comparing the practices with those in other social, cultural and historical environments.

### **3.6 The Research Questions and Framework**

Scholarly interest in TM is increasing (e.g. Dries et al. 2014; Gallardo-Gallardo et al. 2013; Collings and Mellahi 2013; Meyers et al. 2013; Sparrow et al. 2014), but only a third of academic research is empirical in nature and this tends to employ a narrow and one-dimensional approach (Thunnissen et al. 2013a). Therefore, a new perspective is important for a theoretical framework for TM in different contexts, such as different nations, different types of industry, or public and private organisations (Meyers et al. 2013; Sparrow et al. 2014). Furthermore, Gallardo-Gallardo (2013: p.298) identify a number of key questions in considering inclusive and exclusive approaches, including the following. *“Which approach is more prevalent in private organisations and which is better and why?” “What are the assumptions leading organisations to select a specific approach?” “What are the effects of selecting a particular approach on the employees?”*

Here, Gallardo-Gallardo et al. (2013) argue that interviews with HR managers may help to unveil the organisational rationale underlying specific talent-management decisions. Vaiman and Collings (2013) suggest a need to understand the nature of TM in organisations and how these reflect particular organisational objectives. Iles (2013) also argues that it is important to understand how cultural and institutional factors, as well as organisational characteristics (e.g. structure and size), influence the decision on inclusion or exclusion in talent pools. Stahl et al. (2007) argue that, for TM practices to be successful, there is a need for a high degree of internal cultural and strategic objectives, capable of creating an inimitable system of practices, driving excellence in TM and contributing to organisational learning and knowledge

management. Additionally, with regard to the definition by Wright et al. (2001), TM is inextricably linked with the management of people and work. Work practices must be included with greater awareness of contextual appropriation (Thunnissen et al. 2013a). Accordingly, it is important to examine TM from an industrial perspective, combining an examination of organisational factors with an understanding of institutional and cultural forces that shape subsequent TM approaches (Scullion and Collings 2011).

There is also a need to examine the ethical issues that surface from TM implementation (Gelens et al. 2013). Here, it is questioned whether it is morally acceptable for organisations to assess the value of their employees and whether people are perceived mostly as a form of capital or as human beings. This leads observers to ascertain which theoretical framework to use for TM, such as a strength-based approach that takes a more humanistic view of TM practices than does the resource-based approach. Specifically, Gelens et al. (2013) develop a theoretical framework that introduces workforce differentiation as a means of exploring exclusive TM practices – as well as perceived organisational justice and related factors such as high-potential status, equity sensitivity, perceived organisational support and leader-member exchange – in order to understand the differential reactions of employees to TM practices. However, these fundamental assumptions that were developed by Gelens, Dries, Hofmans and Pepermans (2013) do require a more critical examination through the lens of RBV theory.

Ford et al. (2010) argue that there is a lack of academic literature on the effectiveness of TM activities, the evaluation of TM practices and the consequences for employees. Thunnissen et al. (2013a) suggest that TM should be regarded as a “people-management system”. In other words, the term “system” implies a need to understand the multiple practices that impact on employees rather than single practices. In terms of people, the practices should extend to those in fields beyond the HR function, such as work design, leadership, culture and a host of others that impact on employees and shape their competences and attitudes. It could also be argued that the existing literature has paid a great deal of attention to the attraction and development of talents, while turnover has been ignored as an important criterion for measuring the effectiveness of a system (Thunnissen et al. 2013a). Overall, these above

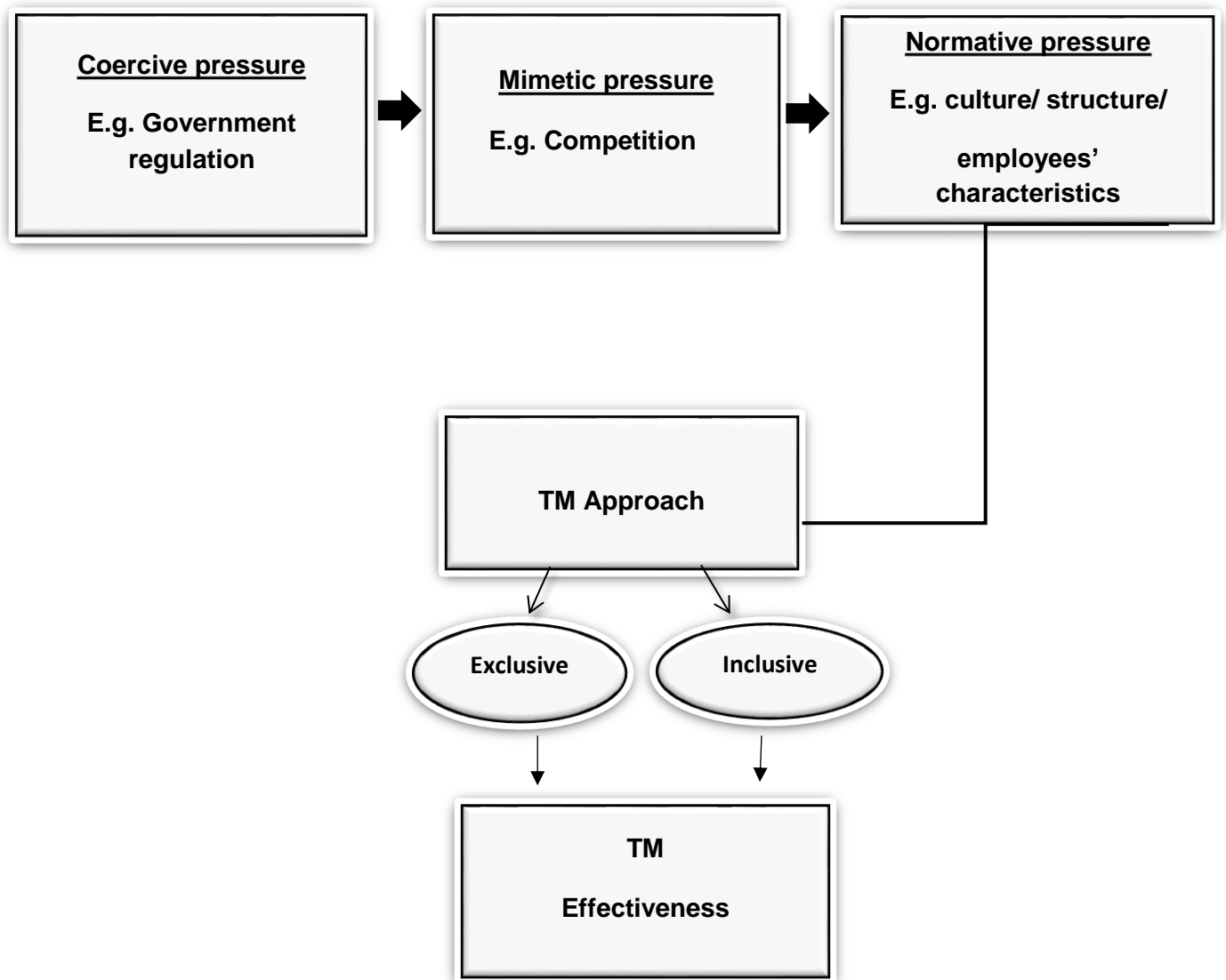
suggestions provide strong indicators for further research to extend TM literature, particularly with respect to TM practice.

There is also a need to examine the link between TM systems and employee commitment. In responding to these different issues in the TM literature, this study will examine the nature of TM within petroleum and banking organisations in Oman and, through of the theoretical perspective of Institutional theory, six research questions have been developed:

1. What approaches to TM are predominant in petroleum and banking organisations in Oman?
2. How does the external environment shape TM provision?
3. What are the internal organisational context characteristics that influence the effectiveness of TM systems?
4. How do different constituents influence and shape the TM system in an organisation?
5. How do differences in an organisation's workforce characteristics influence TM-system effectiveness?
6. How does the implementation of TM impact upon employee commitment?

Figure 3.2 below shows that this study will therefore use Institutional theory to examine why organisations choose a particular TM approach in order to manage talented people. The study will examine how external and internal factors may influence and shape TM within organisations. Furthermore, the study will examine how the different involvement of managers and employees with their respective characteristics (e.g. age and ethnicity), may influence the implementation of TM and its effectiveness. Figure 3.2 clearly illustrates why and how different pressures, such as coercive, mimetic and normative, will shape TM conceptualisation and operationalisation within organisations. Collectively, these will increase understanding of the nature of TM within these Omani private-sector organisations.

Figure 3.1: The Framework for the Study



### 3.7 Summary

This chapter has provided a holistic examination of the TM literature, ranging from competing definitions through to bodies of theoretical and empirical research, culminating in the identification of a gap to be addressed by this study. Although there are a growing number of articles and publications on TM, the construct of TM does still suffer from conceptual confusion in that there is a lack of clarity in its definition, scope and overall goal (Collings and Mellahi 2009; Collings and Mellahi 2013; Sparrow et al. 2014; Thunnissen and Arensbergen 2015; Cascio and Boudreau 2016). In an alternative sense, the common definition and scope of TM are still matters of dispute and require further investigation. For instance, Collings and Mellahi (2013) call for further research to focus on the most appropriate deployment of talent in organisations and on maximising the translation of talent into performance within specific organisational contexts. In addition to this demand for research focus, the existing literature on TM also lacks a theoretical base, which means that TM should be linked to different theoretical perspectives such as Human Capital theory, Stakeholder theory and Institutional theory.

Furthermore, this chapter also discussed the predominant approaches to TM, i.e. the inclusive and exclusive approaches. The TM literature shows that there is still a debate on whether a company should follow the inclusive or exclusive approach. However, Collings and Mellahi (2013) stress the importance of exclusivity of talent and its implications for the performance of talented individuals. While other scholars, such as (Erdogan and Bauer 2011), argue that differentiation of the workforce may lead to employee increased turnover, especially for those who are not classified as talented within the organisation. Another issue, also regarding approaches to TM, is the lack of a theoretical foundation, which means that there is a need for further exploration and evaluation of the outcomes of the two approaches for employees, organisations and society as a whole (Dries et al. 2014). The chapter has also explained TM practices and the competing arguments and challenges regarding these. Gallardo-Gallardo et al. (2013) imply that the current literature focuses on practices (how) rather than on people (who). Therefore, TM practices should be identified and designed based on the definition of, and approach to, talent.

Following a review of several empirical studies conducted on TM, it is noted that there is still a significant lack of a theoretical and empirical basis, as well as a scarcity of studies on notions of context and nation-states. As a result, the study will explore TM in two different sectors, banking and petroleum, in order to understand this phenomenon in more depth. The last section of this chapter provided the theoretical framework that will be adopted for the study, together with its justification.

## Chapter 4: Research Methods

### 4.0 Introduction

The previous chapter provided a comprehensive review of the TM literature and identified the existing gaps within the literature. This chapter examines the research approach and methods that were used to answer the following research questions:

*RQ1: What approaches to TM are predominant in petroleum and banking organisations in Oman?*

*RQ2: How does the external environment shape TM provision?*

*RQ3: What are the internal organisational context characteristics that influence the effectiveness of TM systems?*

*RQ4: How do different constituents influence and shape the TM system in an organisation?*

*RQ5: How do differences in an organisation's workforce characteristics influence TM-system effectiveness?*

*RQ6: How does the implementation of TM impact upon employee commitment?*

The chapter begins by discussing the underlying context of the study (Section 4.1) and justifies the selection of organisations in the banking and petroleum sectors. The philosophical underpinnings and adopted methodological approach are then discussed (Section 4.2), before an outline of the research methods is presented. Following this, the scale and scope of the sample is discussed alongside the validity and reliability of the data (Section 4.3). The latter sections are supported by a justification of the data-collection process, both in terms of techniques and tools (Section 4.4), before an outline of the methods used to analyse the data, alongside an explanation of the process (Section 4.5). The chapter also presents the ethical considerations involved in this research (Section 4.6). Finally, a summary is provided (Section 4.7).

## **4.1 The Context of the Research: Banking and Petroleum Sectors**

Following an overview of the Omani context in Chapter Two (Section 2.2), this section sheds light specifically on the banking and petroleum sectors as the cases selected for this study. The background of the business environment for these two different sectors is discussed in the following section.

### **4.1.1 Petroleum Sector**

Oil is the primary contributor to Oman's revenue and high oil prices have enhanced the macroeconomic standing of oil-producing countries (Central Bank of Oman 2013) in which Oman is ranked 5<sup>th</sup> after Brunei, Norway, Kuwait and Saudi Arabia (The World Economic Forum 2013-2014). Thus, the petroleum sector is the primary backbone of Oman's economy and represents 84 percent of the overall government's budget. Oil production reached 992,700 barrels per day in June 2015 and the country's target is 980,000 barrels per day for the year (Muscat Daily 2016). The petroleum sector is regulated by the Ministry of Oil and Gas and the implementation of Oman's oil policy is done through an integrated company in which the Sultanate of Oman owns the majority stake. Petroleum Development Oman (PDO) holds more than 90 percent of Oman's oil reserves and is responsible for 85 percent of its production.

Apart from the government's 60 percent ownership, Shell (34 percent), Total (4 percent), and Portugal's Partex (2 percent) all own stakes in PDO (The World Economic Forum 2013-2014). However, the geological nature of Oman makes oil-production costs some of the highest in the region and the move into secondary and tertiary extraction techniques increase these costs further. Oman has thus far implemented a successful programme to reverse the decline in production experienced for most of the past decade, deploying some of the most sophisticated methods of enhanced oil extraction (US Energy Information Administration 2012). Generally, the oil industry faces a multitude of challenges that are common to most operators regardless of size or location. These challenges are not only technical but economic, political and social. In many parts of the world the challenge with hydrocarbon resources is not availability



so much as deliverability (US Energy Information Administration 2012). Nowadays, for many oil-producer companies, the days of easy oil are gone and hence the call for technological solutions to unlock the remaining difficult deposits. Despite oil prices being at an historic high, many oil companies find themselves fighting rising costs and declining production levels. Society demands and expects more from the oil industry at present. The challenge of human capital is ever present with the shift in demographics of the professionals working in the industry. A number of skills are significantly lacking, including technical, soft and managerial skills, with particular shortages in technical jobs such as petrochemical engineers, petroleum engineers and geologists (International Labour Organization 2012). These shortages are presenting challenges to the maintenance of scheduled daily operations in the industry. A primary cause of the skills shortage is demographic – large numbers of experienced workers are retiring and fewer young skilled workers are entering the industry. This might cause a crisis of skills in the next decade (International Labour Organization 2012). The mismatch between workers' skills and employers' needs and the reluctance in accepting new salary structures have become a big challenge facing the Omani oil sector (Muscat Daily 2016). There is also a mismatch between available jobs and the skills and expertise needed to meet oil-sector requirements. With additional difficulties in matching jobs that are available and salary expectations, these challenges have led to increased difficulties in attracting and retaining employees.

Thus, the petroleum sector needs to take a proactive role, adjusting to these labour-market transitions, to support its future workforce demands. Investment in human capital, therefore, is necessary for the oil industry to operate progressively and to remain productive and competitive. For instance, coherent human-resources development policies need to be developed to ensure sustainable expansion, taking into account the skill-sets required, by matching training to labour-market demand and providing opportunities for learning and career development that will help business continuity. This needs full cooperation from the government and from organisations and employees to formulate a human-resource development strategy, with enhancement and development of coherent recruitment and development strategies that attract young employees.

Apart from the challenges facing the oil industry, the Omani government has to diversify the hydrocarbons-dependent economy and create a highly skilled local workforce. Therefore, there is a need to increase the development and growth of other sectors, such as finance, as essential contributors to the country's economy. Accordingly, the following sub-section will discuss the banking sector in Oman as the second case of this study.

#### **4.2.2 Banking Sector**

To limit dependence on oil, the financial sector plays an important role in implementing a diversification strategy. It contributes to the economic development of Oman through a gross domestic product (GDP) of 5.87 percent (at the end of June 2015) (*Oman Islamic Finance report 2015*). The banking sector in the Sultanate has grown significantly over the past decade and has become increasingly more competitive, with a collection of commercial banks and Islamic banks which now exclusively focus on Islamic finance. The attractiveness of the banking industry in Oman has also attracted more foreign banks to Oman. The market is comprised of seven local commercial banks, nine foreign banks, two specialised banks and two fully fledged Islamic banks (The World Economic Forum 2013-2014).

The annual report issued by the Central Bank of Oman (CBO) (The World Economic Forum 2013-2014) indicates that the financial health of banks, in terms of assets quality, provision coverage capital adequacy and profitability, remains strong. The report also shows that the total assets of commercial banks increased by 7.2 percent to RO 22.4 billion in December 2013 from RO 20.9 billion at the end of 2012. Of the total assets, credit disbursement accounted for 67.9 percent and increased by 6.0 percent in 2013 to RO 15.2 billion. The ratio of bank credit to overall GDP increased to 49.6 percent in 2013. Aggregate deposits held with commercial banks registered a significant increase of 10.0 percent to RO 15.6 billion in 2013 from RO 14.2 billion a year ago. The capital-adequacy ratio stood higher, at 16.2 percent at the end of 2013, as against the statutory requirement of 12 percent prescribed by the CBO. Commercial banks earned a higher profit of RO 351.3 million in 2013 compared with RO 305.3 million in 2012. There are

a number of driving forces that are leading to a strong and steady business environment in the Omani banking industry, such as strong economic performance, liberalisation of the economy, diversification, major infrastructure developments, an accelerated privatisation programme, the in-flow of foreign direct investments (FDI) and favourable demographics with strong population growth and a high percentage of youth (*Oman Islamic Finance Report 2015*).

All banks in Oman are supervised and regulated by the Central Bank of Oman (CBO) which is the sole regulator of the banking industry. One of the main objectives of the CBO is to ensure stability in the financial system and maintain liquidity in the banking sector to meet the private-sector demand for finance in different sectors. It also has to finance government needs in case of a deficit in the government budget (Central Bank of Oman 2013). The CBO has put in place a new capital requirement that might limit the number of new licenses, although new players that have recently joined the market will force existing ones to improve and diversify their products and services. Rising competition from new banks joining the market, such as Islamic banks, will force banks to defend their market shares through improving customer service and technology infrastructure and diversifying their revenue base. This requires a highly qualified workforce (*Oman Islamic Finance Report 2015*).

The CBO also issued new regulation, in terms of the Omanisation policy, which states that all banks should strive to reach an overall Omanisation level of higher than 90% and specifies that Omanisation targets should be for senior and middle management (Curtis et al. 2013). Banks should achieve 65% Omanisation in senior-management roles by December 2015 and 75% by December 2016, with a plan to raise it to 90% by 2018, while middle-management positions should achieve 90% Omanisation by 2016 and lower-management levels 100% (Curtis et al. 2013). The Central Bank of Oman also elaborates on this position by stating that the term “senior management” should refer to positions such as assistant general managers, the management reporting to the CEO (Chief Executive Officer) and the heads of core departments, while middle management should consist of others in the management team. On the other hand, the CBO exempted CEOs country manager from Omanisation in foreign banks, while the Islamic banks, as they are new to the Omani banking industry, are also exempted until

will get four years from the commencement of their businesses for compliance with the overall ratio of 90% (Curtis et al. 2013).

However, these new regulations in regard to licences and the Omanisation policy has placed the banking sector in a tough position. To remain innovative and competitive, it must attract a qualified local workforce who can hold top managerial positions. However, the supply of local labour-market talent is tight and, if banks are to meet the requirements of the Omanisation policy and remain competitive, there is a pressing need to enhance the competency of domestic human resources. This would provide a fillip to Oman's competitiveness and lead to economic growth and development with a well-qualified and skilled workforce.

As a result of the contextual challenges faced by the banking and petroleum sectors, TM is considered of prime importance particularly because of the diversification in the government's economic strategy. Thus, there is a need to investigate and explore the implementation of TM in emerging markets as, in these countries, it is a relatively new concept, practised mainly by MNCs and still rarely implemented in domestic organisations or specific industries (Sparrow et al. 2014; Beamond et al. 2016).

## **4.2 Research Philosophy and Research Approach**

The most important step in any research is the choice of a research paradigm that determines the research method; this is a matter of epistemology and the selection of a research philosophy comes from one's ontological position or the way in which one views the world (Easterby-Smith et al. 2012). Easterby-Smith et al. (2012) highlight the philosophical deliberations in regard to an ontological gamut with realism at one end of the spectrum and nominalism at the opposite end and also along an epistemological gamut with strong positivism at one end of the spectrum and robust constructionism at the other. Easterby-Smith et al. (2012) also imply that the ontological and epistemological ranges correlate and, when combined, they influence the form or type of methodology deemed suitable for a study. Methodology therefore reflects an "intricate set of ontological and epistemological assumptions that a researcher brings to his or her work..."

(Prasad 1997: p.2). Therefore, these views will inform the research strategy and methods that are to be adopted (Saunders et al. 2009). One's ontological assumptions, regarding claims about what knowledge entails, and one's epistemological assumptions, regarding what one knows about knowledge, inextricably influence the adopted methodology (Easterby-Smith et al. 2012). The overarching debates in management research reflect a range of positions between the extreme spheres of objectivity and subjectivity (Hassard 1991) and these, in turn, dictate how study topics are identified and selected and the manner in which research is designed (Easterby-Smith et al. 2012).

There are four overarching knowledge claims, encompassing positivist/post-positivism, constructivism, advocacy/participatory and pragmatism (Creswell 2003). The positivist/post-positivism perspective largely adopts a scientific approach, underpinned by quantitative research, and uses empirical forms of evidence to explore underlying causes that affect outcomes with a view to rejecting hypotheses. One invariably collates data in order to support or reject a theory. Conversely, however, constructivists question the notion that independent, disconnected and value-neutral observers undertake research (Creswell 2003). Rather than adopting a positivist/post-positivism approach by starting with a given theory, those taking a constructivist stance seek to construct, or inductively develop, a theory through human interaction (social constructionism) in unique contexts (Glaser and Strauss 1967; Vygotsky 1978; Boudourides 2003; Creswell 2013).

The third knowledge claim is advocacy-based knowledge which entails the belief that inquiry should be correlated with power and political agendas. Predefined action agendas for reform should be adopted with a view to transforming participants' lives and the institutions within which they labour and dwell and also, interestingly, transforming the observer's (researcher's) life through the research process (Creswell 2003). Underpinning advocacy are real-world issues such as empowerment, social inequality, social exclusion, oppression and alienation (Carpenter 2007). Meanwhile, proponents of pragmatist knowledge maintain that knowledge emerges from direct action (Creswell 2003) and are primarily interested in finding flexible solutions *in situ* and, hence, pragmatic working solutions to problems (West and Davis 2011; Mervyn and Allen 2012). Pragmatism enables the researcher to adopt a pluralistic approach to finding

knowledge pertaining to research problems. A mixed-method approach is increasingly used by those adopting pragmatism in their quest to find knowledge (Creswell 2013).

After reviewing these different philosophical positions, however, the researcher can identify the present study as exploratory in nature because it aims to understand, in depth, the TM phenomenon in two different sectors (banking and petroleum). This means that this study is situated within the subjectivism paradigm, which gives the researcher greater scope to address issues of influence and impact and to ask questions such as “why” and “how” (Deetz 1996). For example, in the study of TM, it is important to understand the differences between humans as social actors; this means that the researcher enters the social world of the research subjects and seeks to understand and comprehend the world from their point of view. Thus, the researcher believes that reality consists of people’s subjective experiences of the external world. As a result, the researcher may adopt an inter-subjective epistemology (Bedeian 2004) with the ontological belief that reality is socially constructed. It has therefore been found necessary to take an inductive approach towards exploring and understanding different views and opinions about specific issues, using meaning instead of measurement in order to explain the subjective reasons that lie behind social action. De Vaus (2002) also argues that qualitative methods help to provide rich data about social life and human situations by contributing to people’s views and opinions. It is widely acknowledged that the inductive approach is applicable in research into business and management such as human-resource management (HRM) (Saunders et al. 2009).

Therefore, an inductive, or qualitative, approach was defined by Creswell as “a means for exploring and understanding the meaning individuals and groups ascribe to a social or human problem” (2009: p.4). Meanwhile, the deductive, or quantitative, approach is defined as a “means for testing objective theories by examining the relationship among variables” (Creswell 2009: p.4). It implies that something can be counted by producing numbers that evolve into statistics and determines that facts can be measured and tested within a positivist standpoint. However, the intricacies of undertaking a qualitative research approach chiefly arise from the adopted philosophical assumption. Taking a relativist ontological approach and a constructionist epistemological stance implies the existence of

multiple viewpoints of what constitutes reality; it also suggests the means by which the researcher and society get to know about it. The outcome then induces the collation of a wide range of data that are inherently complex but also context-bound (Easterby-Smith et al. 2012). As a result, this study adopts an inductive approach which aims to gain an in-depth understanding of the TM phenomenon in two different contexts (banking and petroleum sectors). The objective is to seek a rich qualitative picture of a particular situation in Oman after rigorous qualitative data analysis and coding.

Many Western studies have explored TM using qualitative tools and techniques (Wenger and Snyder 2000; Dries and Pepermans 2007; Dries et al. 2012; Pentland 2012). However, there is a need to consider different non-Western contexts in furthering the understanding of TM conceptualisation and operationalisation (Sparrow et al. 2014; Beamond et al. 2016) and thus the present study is the first to compare and examine TM in banking and petroleum sectors within the context of Oman. Hence, a dynamic and innovative process is expected to emerge through the exploration of complex Talent Management strategies within the natural settings of the banking and petroleum sectors in Oman as a result of rising demands for local qualified workforce, the nationalisation policy and the growth in local and foreign investments. This study examines socially lived worlds through an exploration and robust interpretation of organisations, their stakeholders and their experiences of TM implementation. The study is constructivist because the objective is to understand not only how knowledge is socially constructed, but also how senior decision-makers create their own understanding of the life-world they inhabit.

#### **4.3 Research Strategy**

Creswell (2003) presented five different approaches for undertaking qualitative research: narrative research, phenomenology, grounded-theory research, ethnography and case-study research. If one were to embrace a mixed-methods approach, one could blend these with other research strategies, such as survey, experiment and action research, depending on three conditions: the type of research questions, the investigator's control over actual behavioural events and the focus on contemporary, as opposed to historical, phenomena (Yin 2003).

Given the nature of the research questions, the case-study methodology within a qualitative paradigm is considered the most appropriate strategy to adopt. Yin defined a case-study as *“an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident...”* (2003: p.13).

The use of a case study allows the investigator to cover contextual conditions relevant to the phenomenon; meanwhile, other research strategies have limited and identified variables to investigate with regard to the specific phenomenon. Additionally, a case study provides an opportunity to study one aspect of a problem in some depth within a limited timescale, as well as producing a “thick” description to deliver the richness and depth of evidence of a specific phenomenon (Robson 2011). The case-study approach can include single and multiple case studies; the present study has adopted an approach using multiple case-studies (comparative design). The rationale for selecting this type of case study, as advocated by Yin (2003), is that the reliance on more than one case study at a time enables the researcher to analyse, compare and contrast, which may perhaps enable one to validate the process and the emergent outcomes. Additionally, adopting multiple cases is akin to conducting multiple experiments that help to build strong evidence of a phenomenon. Furthermore, Bryman and Bell (2011) argue that the key advantage of this kind of design is its ability to allow the distinguishing characteristics of two or more cases to act as a springboard for theoretical reflections on contrasting findings.

The strength of the case study is its ability to explore and illustrate the situations that emerge from phenomena that are too complex for the survey or for experimental strategies in details (Yin 2003). In the TM literature, scholars such as Meyers et al. (2013) also call for comparisons between industries in order to enrich our understanding of TM. Therefore, in order to explore the nature of TM systems, this study aims to compare two different industries in an Omani context in order to produce a more meaningful understanding of the nature of TM. The study has selected two cases from each industry. The selection of two cases, rather than one, is intended to produce variation and the limitation to two cases, rather than three or more (as proposed at the outset), is because of time and resource constraints when gathering research in a developing country such as



Oman. Specific criteria were also used to identify these two industries. The first criterion is the presence of a formalised TM system. The second is the structure of the case rationale.

Previously, the researcher conducted a pilot study for exploring the nature of TM in public and private organisations in Oman. A pilot study is referred to as “a feasibility study that comprises small-scale versions of the planned study, trial runs of planned methods, or miniature versions of the anticipated research in order to answer a methodological question(s) and to guide the development of the research plan...” (Prescott and Soeken 1989: p.60). Initially, the researcher sent emails to public and private organisations’ human-resource managers and decision-makers, explaining the initial aim and objectives of the study. The researcher was able to conduct six informal face-to-face interviews with two general directors, three human-resource managers and one TM adviser from three organisations (two public organisations and one petroleum company). It was found that public organisations have not yet implemented TM, while just a few private organisations have formally adopted it and these organisations are mainly operating in the banking and petroleum sectors. Therefore, this study’s approach has shifted from making comparisons between public and private organisations to comparing banking and petroleum sectors in order to meet the above criteria.

In the selection process, the researcher compiled a list of banking and petroleum organisations that have adopted TM, based on information from the Ministry of Manpower which is responsible for all private organisations in Oman. This list contained a few (four to six) organisations that have formally recognised TM, as confirmed through five informal interviews with one decision-maker, two human-resource managers and two TM advisers in the banking and petroleum sectors. From this, it was possible to identify two cases from the banking industry and two cases from the petroleum industry. In order to achieve the aim of the study, which is to explore the nature of TM in these four organisations, semi-structured interviews were adopted. To select the participants for this study, the researcher chose participants involved in TM and affected by it. In other words, the research selected two groups from each case; both sets of interviews were conducted using semi-structured interview questions.

However, one common pitfall associated with the case-study method is the researcher's tendency to attempt to answer a question that is too broad or to explore a topic that has too many aspects for one study (Baxter and Jacks 2008). Yin (2003) suggests that, in order to avoid this problem, the researcher should place boundaries on the study. In this research, time, place, activity and definition of the TM issue and the context were determined and this was to ensure that the study remained reasonable in its scope.

#### **4.4 Methods of Data Collection**

Data can be gathered from various sources using different methods, and they can be primary or secondary data. Primary data are original data collected at source, while secondary data are those that already exist and that can be explored through, for instance, content analysis (see Boyd et al. 2005; Bhatnagar 2007). To address the research questions for this study, primary data was collected from the fieldwork undertaken with employees in each case.

A research method, as defined by Bryman and Bell (2011), refers to a technique for collecting data and involves a specific instrument such as a questionnaire, interview or observations. Oppenheim (1992) argued that the questionnaire and the interview are the most reliable and popular data collection methods in social research; however, only the latter is feasible for addressing the particular research questions. Additionally, from a research strategy standpoint, 'multiple case-studies' will garner multiple evidence in order to produce a thick description of the TM phenomenon. As a result, there was a strong justification for this research to use interviews as a suitable research instrument. The study used the semi-structured interview tool in order to explore the nature of TM in more depth. Proceeding to qualitative data analysis, it draws categories and themes from interview data in order to understand and interpret how differences in practices and contexts affect the nature of relationships between employees and organisations.

#### 4.4.1 In-Depth Semi-Structured Interviews

The interview is a method commonly used in qualitative research for data collection. There are various types of interviews, including structured, semi-structured and unstructured (Robson 2011). Saunders et al. (2009) argue that the structured interview is used to collect quantifiable data, while the semi-structured interview is non-standardised and thus referred to as the qualitative research interview. Semi-structured interviews are defined as “a list of themes and questions to be covered, although these may vary from interview to interview...” (Saunders et al. 2009: p.320). In other words, the order of questions may vary depending on the discussion and the researcher is sometimes prompted to ask further questions as a form of laddering to explore an issue in more depth. Using a structured interview tool will not help the researcher to gain a great deal of in-depth knowledge in the area of TM because this type focuses on asking specific questions within a limited time period (Robson 2011).

On the other hand, using unstructured interview tools will enable the researcher to develop the conversation much further, but they are not without their limitations pertaining to, for instance, time and volume of data. The interview questions are based on the literature review in Chapter Three. As a result of the literature review, the present study has identified themes and questions covered in the interviews, acting as an interview map. The interviews focused on exploring the nature of TM in both industries and the questions were drawn from the TM academic literature review, which indicated that they were not empirically tested or explored (Chapter Three: Section 3.6). These questions seek to do the following: 1- *To find out the factors involved in selecting the TM approaches (inclusive vs exclusive) in these two different sectors;* 2- *To determine the impact of external and internal contextual factors on the TM;* 3- *To discover the role of stakeholders in TM practices and policies.* Consequently, the interview questions produced a better understanding of the conceptual landscape surrounding the research objective based on actual practice **(see the interview guide in Appendix 3)**. This provided the researcher with a good foundation for exploring relevant emerging themes in the interviews. Therefore, the research relied on semi-structured interviews because they enabled the researcher to ask further

questions to follow up on what the interviewees said, thus helping the researcher to probe particular issues in greater depth.

Prior to interviewing the participants for the main study, the researcher aimed to pilot the interview questions in order to enhance the study's chances of success. The aims of this test were to ensure that the questions were clear and to delete irrelevant questions. Two pilot tests were conducted for the instrument. First, the interview questions were sent to two senior lecturers with backgrounds in Talent Management at the University of Bradford's School of Management. The lecturers were asked to review the questions and to give their opinions on how they could be improved to achieve the overall aim of this study. As a result of this pilot, two questions were changed as a result of ambiguity and the possibility of misleading the participants.

The second pilot aimed to provide preliminary insights about the implantation of TM in the banking and petroleum organisations and to test the instrument practically. The pilot participants were HR managers and TM advisers, involved in TM, from one bank and one petroleum organisation. This gave the researcher experience of how to conduct the interviews, interact with respondents and record the conversations. In addition, those pilot interviews proved useful in gaining feedback from the organisations' practitioners prior to undertaking the main empirical study.

The respondents for the interviews were chosen through purposive sampling in order to gain an in-depth understanding of how TM is realised in two different contexts; they were drawn from the decision-makers and experts involved in TM as well as those affected by TM (line managers and employees who have been in the talent pool). The advantage of applying purposive sampling, as discussed by Patton (2002), is that any common patterns that emerge from great variation are of particular interest and value in capturing the core experience and central, shared dimensions of a setting or phenomenon. The first interview set targeted one Strategic Director, one HR manager and two talent advisers from each case organisation in the banking and petroleum industries through face-to-face interviews and the interviews focused on specific themes for each group, as

shown in Table 4.1. In total, 17 face-to-face interviews were conducted across the four cases. The second set of questions targeted line managers and employees who were in the talent pool. A total of 22 interviews were conducted across the four cases and therefore 39 interviews were conducted for the two groups: the management (strategic directors, HR managers and TM advisers), line managers and talented employees across the four organisations.

The four cases were coded as BA, BB, PA and PB to ensure the anonymity and confidentiality of each organisation's identity. BA and BB refer to the first and second case study respectively in the banking sector, while PA and PB stand for the first and second case-study respectively in the petroleum sector. Prior to the interviews, participants were informed of the aim of the study by the provision of an information sheet and consent form. Interviewees were all fluent in English, so all interviews were conducted in English. The researcher used the *laddering* technique, suggested by Easterby-Smith et al. (2008b), in order to encourage interviewees to reveal additional information and clarification, as necessary, about the phenomenon. The interviews were conducted at the participants' workplaces as this was perceived to be convenient for both the participants and the researcher and it ensured that they were able to communicate freely. The interviews lasted for about one hour and were recorded (*with interviewees' permission*), transcribed and analysed by the researcher.

By recording the interviews, it was easier for the researcher to re-visit and recode text as more evidence emerged and patterns became clear. Recording also allowed re-listening to the interviews and the use of direct quotes to support arguments in the writing-up stage. Furthermore, transcripts were fact-checked with key stakeholders to ensure that the researcher offered an accurate reflection of their world. However, one common problem encountered in data collection is the personal involvement of the researcher. This often raises the issue of validity in cases where the researcher has become too involved to remain impartial and objective (Dooley 2002). In this research, the researcher's beliefs and culture might influence her perceptions and actions in the research setting. In order to tackle this problem, Gall et al. (1996) suggest conducting a subjectivity audit in which the researcher lists her positive or negative influences in the research situation. This was carried out by the researcher in order to minimise any influence of personal involvement especially in data interpretation.

**Table 4.1: Case-Summary of Data Collection and Number of Interviews**

<b>Number of Interviews</b>	<b>BA (Banking)</b>	<b>BB (Banking)</b>	<b>PA (Petroleum)</b>	<b>PB (Petroleum)</b>	<b>Overall</b>
<b>Strategic Directors</b>	(1)	(1)	(1)	(1)	<b>4</b>
<b>HR managers</b>	(1)	(1)	(1)	(1)	<b>4</b>
<b>TM advisors</b>	(3)	(1)	(2)	(3)	<b>9</b>
<b>Line managers</b>	(2)	(1)	(4)	(2)	<b>9</b>
<b>Talented employees</b>	(4)	(2)	(5)	(2)	<b>13</b>
<b>Total</b>	11	6	13	9	<b>39</b>

**Note:** The number of each interview participant is indicated in brackets (1, 2...)

The next section discusses the different forms of qualitative analysis and provides a justification for the thematic analysis.

## **4.5 Data Analysis**

Data analysis is defined as a systematic process of searching and organising the data in order to gain understanding and useful meaning (Boeije 2010). Creswell (2009) suggests several steps for the qualitative researcher in analysing collated data. First of all, the researcher should organise and prepare the data for analysis. Then, the researcher should reflect on the overall meaning; therefore, it is important that the researcher chooses the appropriate approach to analysing the data. For example, there are different ways of analysing qualitative data, such as thematic analysis, content analysis and discourse analysis. Berelson (1952: p.18) defined content analysis as “a research technique for the objective, systematic and quantitative description of the manifest content of communication”

(Berelson 1952, cited in Bryman and Bell 2011). In other words, content analysis aims to produce positivistic accounts of the new issue, which means that it may not necessarily meet the objective of analysing the data for this study. In contrast, discourse analysis is focused more on descriptive linguistics than on investigating and, arguably, it may not help the researcher to explore the issue of TM in new contexts such as Oman. Therefore, the data collected through primary data instruments were analysed by the adoption of a form of thematic analysis, which will be discussed in the next sub-section.

#### **4.5.1 Thematic Analysis**

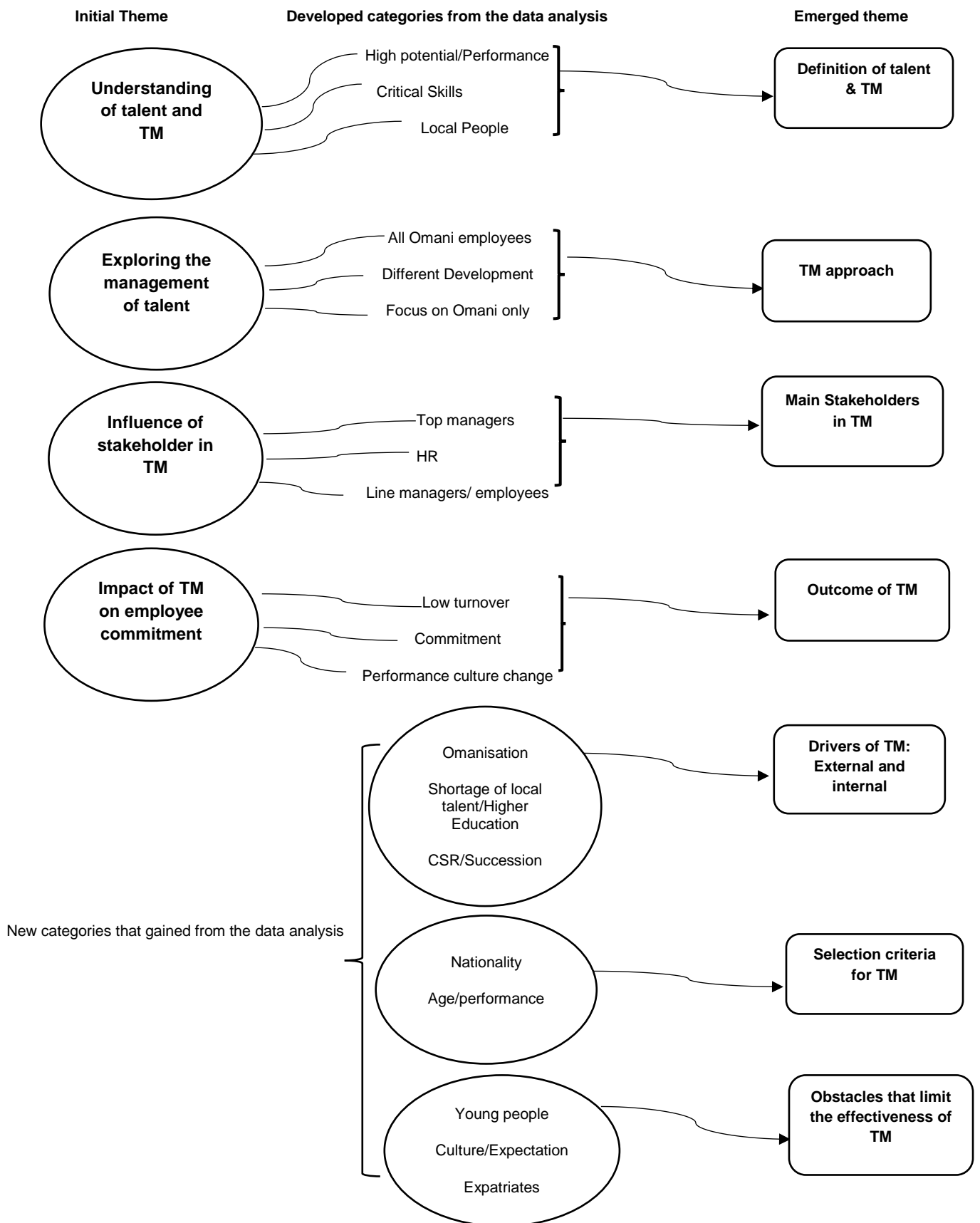
Thematic analysis consists of “identifying, analysing and reporting patterns (themes) within data and it minimally organises and describes the data set in rich detail” (Braun and Clarke 2006: p.79). Additionally, it provides a flexible and useful research tool which can potentially provide a rich and detailed data set (Braun and Clarke 2006). Accordingly, in the initial phase of analysing the data, the researcher first listened to each of the 39 recording interviews at least once in order to understand them and to make the transcription process much easier. Then, the researcher transcribed all 39 interviews by herself. After I had finished the transcription, I read each interview transcript at least twice. For this reason, Robson (2011) emphasises that the first phase of analysing is to familiarise yourself with the data by transcribing the data, reading and re-reading the data during and after the transcription process. The researcher already had some high-level themes from the literature review (e.g. an understanding of talent and TM and an understanding of the impact of TM on employee commitment); through several readings, the researcher was able to highlight some ideas that related to these initial themes, as shown in Figure 4.1. In the second phase, the researcher began to develop codes by identifying the features of the data that relate to the research aim and questions. Thus, Braun and Clarke (2006) argue that the capturing of themes is something important that represents the data in relation to the research questions. Accordingly, each feature of the data was given a code (e.g. meaning of talent, factors, challenges and outcomes). Then, in the third phase, the researcher looked for overall themes once all the data had been coded. This helped the researcher to narrow the large set of codes into a number

of themes and sub-themes. In the fourth phase, the researcher again went through the themes developed in the third phase. Accordingly, there were some themes which have been removed due to the lack of much of the data in these themes. At the same time, there were new themes that developed and emerged, which had not been anticipated before, such as drivers of TM, selection criteria for TM and obstacles that limit the effectiveness of TM as shown in Figure 4.1. Finally, the researcher was able to define and name the themes that created real meanings and match these with the research's aim and questions. Thus, the data has been analysed within each theme.

Furthermore, NVivo 10 was used in this study in order to help in facilitating the qualitative thematic analysis of the transcripts produced from the semi-structured interviews. Although the analysing and interpreting were done mainly by the researcher, NVivo10 simplified and speeded up the mechanical features of data analysis. NVivo 10 enabled the development of themes inductively as well as providing an opportunity to re-visit the data more easily and more systematically. NVivo10 was a helpful tool also in creating memos that linked to find relationships among themes.



**Figure 4.1: Initial, Developed and Categories Themes**



#### **4.5.2 Dependability, credibility and transferability of Qualitative Data**

While analysing the qualitative data, the researcher should consider the underlying and overarching quality of these data. The issue of data quality in the qualitative domain has long been debated regarding their reliability and validity and how they can be assessed. Lincoln and Guba (1985) propose new terms, in order to assess the quality of qualitative research, that are equivalent to the reliability and validity criteria in the positivistic paradigm. For example, Lincoln and Guba (1985) use “dependability” in qualitative research to correspond to the notion of reliability in quantitative research. They focus on “inquiry audit” as a measure that enhances the dependability of a qualitative study. Hoepfl (1997) argues that an inquiry audit can be used to examine both the process and the product of the research for consistency. Other techniques that are used to establish dependability include code-recode strategy and stepwise replication (Krefting 1991). In this study, the researcher adopted several techniques in order to enhance the study’s reliability (dependability) and to minimise possible biases in this research. The researcher developed an interview guide (please see Appendix 3) that sets all the questions to be asked and indicates the specific data required. This has helped to maintain the consistency of the results. In addition, the data was recorded and transcribed immediately after each interview in order to ensure, as far as possible, accurate interpretation of the data. Furthermore, the transcripts were checked carefully in order to ensure that they did not include any mistakes made during the transcription process.

One of the key criteria that should also be considered in any research is the internal validity which ensures that study measure tests are actually achieved (Shenton 2004). In the qualitative research, the term “internal validity” refers to credibility (Lincoln and Guba 1985). Credibility is defined as “the confidence that can be placed in the truth of the research findings” (Anney 2014: 276). Lincoln and Guba (1985) argue that credibility is established by whether or not the research results represent plausible information which can be drawn from raw data and is a correct interpretation of the participants’ views. Thus, in order to establish credibility in qualitative research, different strategies are used, such as

varied field experience, time sampling, member checking, peer examination, interview technique, establishing the authority of the researcher and structural coherence (Shenton 2004; Anney 2014). The credibility of this research was established by using the verbatim quotations expressed by the participants in order to support the arguments in each case study. Shenton (2004) also suggests that one of the techniques to maximise the level of credibility is the development of familiarity with the participants or organisations before the interviews take place. Accordingly, the researcher managed to spend around two days in each case-study organisation in order to become familiar with the organisations and with the people participating in the research.

Furthermore, one of the most important techniques in establishing credibility in this research is member checking (Bazeley 2013). For example, the researcher sent the digital copies of the transcripts of the face-to-face interviews to the interviewees as a method of enhancing accuracy, whilst also garnering trust to ensure that their responses were cogently recorded and that the researcher's interpretation of their social world mirrored their reality and had not been de-contextualised. The researcher also applied peer debriefing of the research project strategy (Bazeley 2013) by checking the interpretation of data with the supervisors as well as presenting the findings in a number of international conferences. This has helped to develop a greater explanation of the research and strengthened its arguments.

Qualitative research aims to develop theory which can be transferred to other settings (Lincoln and Guba 1985; Maxwell 1992). In other words, the developed theory could be useful in making sense of similar processes in different situations. This research has extended the use of Institutional theory in understanding TM within a particular context, that of Oman. The findings of this study show how different institutional pressures have influenced and shaped TM within two different environments: banking and petroleum sectors. More importantly, the study has sought to understand the impact of the social context and internal factors within the organisation. The use of Institutional theory in this research revealed that there are different layers within institutions that have formed other pressures that shape TM in a particular way, one not covered in other studies. Thus, the development of Institutional theory in this research could be useful in

making sense of similar processes in different settings, which might contribute further in developing both theory and knowledge.

#### **4.6 Ethical Considerations**

Access and ethics are important facets for the success of any research endeavour. To conduct research on an organisation, the researcher must first gain access in order to gain acceptance and consent from the intended participants (Bailey 1996). Johnson (1975) argued that the reality of conducting research may be to consider where one is likely to be able to gain access and to develop a topic to fit the nature of that access (Johnson 1975, cited in Saunders et al. 2009). In terms of gaining access to these organisations, the researcher first conducted five informal face-to-face interviews with those who are involved in TM systems in banking and petroleum organisations and who have shown an interest in participating in and supporting this research. After that, the researcher was able to contact each participant through their emails by coordinating with their employers, explaining the aim of the study and stressing the importance of the research. The researcher attached the information sheets (**see Appendix 2**) to the emails to allow for the participants to gain more understanding of the nature of the research. After a week, all participants extended their full support of, and commitment towards, the interviews.

The second step, after gaining access, relates to ethics, which entails “the appropriateness of your behaviour in relation to the rights of those who become the subject of your work or are affected by it...” (Saunders et al. 2009: p.184). Saunders et al. (2009: p.184) defined research ethics as “questions about how we formulate and clarify research topics, design research and gain access, collect data, process and store data, analyse data and write up research findings in a moral and responsible way...”. The researcher of the present study followed the ethics requirements of the University of Bradford by completing the Ethics Checklist and the Research Ethics Application Form; the researcher then submitted these to the Research Ethics Committee in order to gain approval to

commence the data collection. Then the research gained the approval of the University of Bradford's Ethics Committee, as shown in Appendix One.

Subsequently, the researcher considered important ethical issues while conducting the data collection, such as confidentiality, anonymity and informed consent. Gaining the participants' informed consent is highly ethical and it helps the participants and the researcher to avoid any potential harm in the future, such as distribution of personal information (e.g. name and contact details) for unethical purposes. Therefore, the researcher provided soft and hard copies of the information sheet with an informed consent form explaining the study, including details such as the purpose of the study, how the participants may benefit from the research and assurance that participation was voluntary. In that the participants need to be given relevant information about the research so that they can make an informed decision as to whether or not they wish to participate. Apart from that, the researcher ensured confidentiality and anonymity for the participants by not revealing their personal details or the identity of their organisations (at their request) as well as by keeping all the information and written papers in locked filing cabinets in the researcher's office at the University of Bradford, in keeping with the researcher's undertaking to keep the information in a secure place **(see Appendix 2)**.

In addition, the identities of the participating organisations were kept anonymous (Oates 2006). Pseudonyms (BA, BB, PA and PB) were used to maintain the anonymity of the four organisations. This approach enabled the participants to be comfortable and to be frank on giving their personal experiences.

#### **4.7 Summary**

An inductive approach has been adopted for this study, which is exploratory in nature. This chapter discussed the nature and growth of qualitative research within social sciences and its value for management researchers. Hence, the research followed a multiple case-study strategy with interviews for the qualitative study as data collection progressed. It also discussed the specific data-collection methods and analytical techniques that were deployed. The main data-collection methods were semi-structured interviews which were conducted for 39

respondents in the banking and petroleum industries. The data were thematically analysed with aid of NVivo and the findings from the thematic analysis were evaluated. This helped to provide a deeper and richer understanding of TM and its processes. It also explained the tools and techniques used to ensure a good level of scientific practice by enhancing the validity of the research findings. Finally, the chapter described the ethics procedures and the requirements of the University of Bradford, which were followed in this study.

As this chapter discussed and justified the fact that the qualitative multiple case study was the approach adopted for the present study, this has now set the stage for the analysing and reporting of the key findings of the empirical work from the four cases in the following chapters.

## **Chapter 5: Case-Study One (BA: Banking Sector)**

### **5.0 Introduction**

This chapter presents a case-study of a TM in BA, an Omani organisation that operates in the banking industry. The bank employs 2,400 people in different branches across the globe. Section 5.1 provides an analysis of how the organisation defines talent and TM. Section 5.2 discusses the drivers of the TM system. Section 5.3 examines the assumptions in selecting a specific approach to managing and developing talent. Section 5.4 outlines the main stakeholders and their influences on the TM system. The main criteria in the TM system are discussed in section 5.5. Section 5.6 presents the main obstacles that may limit the effectiveness of the TM system. The outcome of the TM system is presented in section 5.7. Lastly, a summary of key findings is presented in section 5.8.

Eleven in-depth interviews were conducted: five participants represented the management of the TM system (Strategic Director, HR manager, TM advisors and Learning and Development advisor), four interviewees had taken part in a TM programme and were considered talented employees, and two represented line managers, as shown in Table 5.1. The interviews were conducted between mid-April and May 2014.

**Table 5.1: Participants' Demographics (BA)**

<b>Category</b>	<b>Gender</b>	<b>Age</b>	<b>Ethnicity</b>
Strategic Director <b>(SD)</b>	Male	55	Omani
Human Resources manager <b>(HR)</b>	Male	40	Omani
Talent Management Advisor <b>(TM1)</b>	Male	38	Expatriates
Talent Management Advisor <b>(TM2)</b>	Female	35	Omani
Learning & Development Advisor <b>(LD)</b>	Male	50	Expatriates
Line Manager <b>(LM1)</b>	Female	36	Omani
Line Manager <b>(LM2)</b>	Female	33	Omani
Talented Employee <b>(TE1)</b>	Male	32	Omani
Talented Employee <b>(TE2)</b>	Female	36	Omani
Talented Employee <b>(TE3)</b>	Female	32	Omani
Talented Employee <b>(TE4)</b>	Female	31	Omani
<b>Total</b>	<b>11</b>		

The staff members who were involved in this study highlight that the organisation implemented TM in 2004 when the organisation realised the importance of developing and grooming its own talent in order to minimise costs and avoid wasting time and effort on recruiting from outside, especially for critical positions. The management group believes that a TM system would also be able to support its succession plan. Accordingly, the participants from the management group report that the TM framework has been designed to focus on three main areas, which are the identification, development and retention of those people (high-potential) whom the organisation considers its future assets, capable of meeting the current business demands and of running the business in the future.

*“the philosophy has been very clear for the last almost seven, eight years now, but we want to develop and groom talent, you know, it is very difficult for us to go to the market every time and get people for the internal positions... The entire picture of, you know, identifying, developing and managing these days is what is articulated through the framework and that is why it is very essential for us that we have talent management framework and you know we develop five-years plan, we have started identification of this business right from 2004...” (TM Advisor 1, BA)*



From a TM advisor's point of view, it is apparent that TM has become an essential tool in the organisation for developing its own people to run the business. This means that TM aims to develop talented people who have been identified in this organisation as "high-potential". In addition, the employees at the different managerial levels who took part in this study feel that the implementation of a TM system has had a positive impact on the organisation in general and on employee commitment in particular. For example, all four talented employees state that, although they had been offered many opportunities by competitors, they still feel that this is the best place to develop their own talent and career paths. The following comment illustrates the positive outcome of TM on employee commitment:

*"I am attached to [BA]... because, since I joined, the bank has given me whatever I want in terms of development in terms of career and growth, in terms of the growth" (TE4,BA)*

In the above quote, the talented employee (TE4, BA), for instance, relates her attachment to the organisation in terms of the development programmes and career growth that she has received since she joined the organisation. This would suggest that the talented employees care more about their development and career growth than about financial factors. Thus, the four staff members who were interviewed for this study feel that TM has had a positive impact on their commitment. Further explanation on this point will be discussed in Section 5.7.

The next section presents the organisation's definition of talent and TM.

## **5.1 Definition of Talent and TM**

This section examines the findings in terms of the meaning of talent and TM in BA. An explanation of the term 'talent' is discussed first, followed by the use of the concept of TM.

### 5.1.1 Talent

According to the management group who participated in this study, they define a talented person in BA as someone who is different from the others, a good Omani staff member, and a person with high potential to hold critical positions and be a future leader. This suggests that talent is a dynamic concept that can be adapted according to business needs, while, the institutional pressures are leading the organisation to associate the term 'talent' exclusively with young Omanis. Thus, the managers within this organisation appear to feel that institutional pressures define talent in particular ways:

*"...So, typically, it focuses on the good Omani staff who are different than the rest, is what we define as talent" (TM Advisor 1, BA).*

*"It is the process that (the) bank has started to groom young Omanis (pause) and develop those young Omanis who have high potential... the process includes (pause) certain activities (in) regard to recruitment, regard to development and regard to learning and regard to retaining those talents and at the end of the day we hope that those talents will be the future asset for the bank in different areas." (HR manager, BA)*

From the above quotes, it is clear that, despite the influence of the Omanisation policy, the TM is not focused on developing *all* the Omanis in the organisation, which suggests that institutional pressure (coercive) may have only a partial influence on the definition of talent. Thus, it appears that the organisation involves itself in being more proactive in developing the best talent by taking an exclusive approach to deciding which Omanis to select as the best strategy (mimetic) for the TM programmes. From the interview data, this may indicate that both coercive and mimetic pressures and their influences play a role in defining talent in a particular way in an organisation.

Line managers consider talent to be strongly related to the ability of the individual to do the job in order to meet the organisation's objectives; a talented person is defined: *"...as someone who has the ability or capability to add value to the organisation, who has expertise, who has the keenness to learn and more importantly someone who can give back or give output, I mean there is tangible output" (LM2, BA).* This is also supported by another line manager who says that:

*“... those people who have capability and ability, who can add value to your business and meet the organisation’s objectives... this is how we define talent” (LM1, BA).*

This implies that, because the line managers assess their employees on the basis of their performance, they are defining talent from their own operational perspectives. Both the management group and the line managers believe that talent is those people who add value to the organisation and who meet its strategic objectives.

At the same time, one of the talented employees defines talent as a combination of the individual’s behaviour, attitude and attributes: *“talent is component of different aspects; from my perspective I think that is the IQ of the person, the behaviour, attributes, your attitudes, all these are part of talent and the bank has identified all these certain skills and areas through different assessments which the bank has done for us; I think this is the way I can define talent” (TE4, BA).* It seems that the definition of talent from the talented employee’s perspective is reflected and influenced by the organisational context. This is also affirmed by another employee who defines talent as follows:

*“... what is talent but I think that in (an) organisation like [BA], for example, or any good organisations, it is always, you know, there is certain people, like you can name it in HR or learning and development or all this, they know from their experience because they (are) looking at things from (a) different angle so they will know, like, what is the top performer, so like, when we do our annual appraisal, so that is you are in A outstanding, or you are in B which is very good and there is C which is good. So, from C until A, you are talent...” (TE3, BA).*

It can be noted from the above definitions that there are different interpretations of the meaning of talent in the organisation. This explains why TM scholars struggle to identify a single definition of talent. However, there is agreement among the staff members who took part in this study within BA that a talented person is “someone who is different from others” in terms of performance and potential and that such a person might be classified as “high-potential”. This implies that the understanding of talent among both managers and employees

seems to be related to how talent is shaped by the organisation's operating environment.

### 5.1.2 Talent Management (TM)

Managers consider TM as an integrated process that emphasises the identification and development of high-potentials and those who will occupy critical positions. The TM advisor (1) in BA deliberately relates the term TM to learning and development: *"...While we can do training for three thousand people but really we cannot do learning and development for everyone..."* From this quote, the participant (TM advisor 1, BA) appears to differentiate the concept of TM from training; training is seen as short-term and inclusive, while learning and development is seen as TM. It is more focused and exclusive for those identified as "high-potential" and takes a long-term perspective; *"Well, talent management can be seen to be achieved through (an) exclusive view that helps to put the resources in (an) efficient way and achieve the best results. In this case, we want to identify those who have high potentials..."*. Second, the TM concept in BA appears to be more related to two main areas: identification (assessment) and development as stated by the HR manager:

*"... yes, because when you are talking about talent management at [BA], you are talking about two things, assessments and the development and providing people with (the) right skills for the Omanis... if we (are) talking technically, the end result of any assessment that is consider(ed) as part of the talent management, the end result, the individual development plan and in the individual development plan, it shows you the tools that (can) be useful for developing you..." (HR manager, BA)*

Based on the above quote, the HR manager indicates that the conceptualisation of TM in BA is centred around identification and development processes that help to identify the right local talent for each level and to develop them accordingly. This might suggest that, in order to respond to the influence of the Omanisation policy (coercive pressure), the managers indicate that the TM system within BA focuses on developing local employees; this is explained in all the above statements to the effect that TM is about developing *"Young Omani employees"*.

However, the managers also highlight that the organisation strives to conceptualise TM in a way that could fit with, and achieve, its own business requirements by applying an exclusive view to focusing and developing those who have “high potential”. Thus, the management group who participated in this study highlights that the TM in BA is conceptualised to fit into both environments, external and internal.

From the line managers’ point of view of how TM is conceptualised, one line manager in BA defines TM as a proper plan to manage and develop human resources in order to achieve business objectives and strategy. The line managers also believe that the importance of TM, in the identification stage, is in allocating the right talent to the right place in order to meet business needs. One of the line managers in this study considers TM as a tool for adding value to the organisation through proper management and development:

*“...talent management is how you plan, I mean your human resources as strategy to cover your business value, you know, and how you fit proper human resources in your organisation and in your area. So, you can achieve the plan or business plan that you are aiming for as strategy, you know.”*  
(LM1, BA)

The second line manager, meanwhile, defines TM from her own experience of being in the TM programme and also views TM as a process that emphasised identification (assessment) and development. This is shown in the following statement:

*“... talent management is the process by which you identify talent, either through recruitment; you retain that talent with different mechanisms, whether financial, training programmes, conferences, on-the-job learning and development and through (a) specific talent management programme... For example, I was part of the development centre, so, we had (pause), we were the first batch that underwent assessment and to the development center and etc. So there is that formal part to it also in the bank as well, so it is processes of managing talent within the bank.” (LM2, BA).*

Meanwhile, one of the talented employees refer to TM as “employee management” by managing talented people properly through different development opportunities in order to produce a return in the future:

*“the word is employee management, I mean taking employees who are actually the talented people and are available over here and managing them, grooming them, developing them, directing them and guiding them through different programmes and different procedures, whether is it job shadowing or whether it is mentoring or whether putting and giving them functional-exposure in different departments.” (TE1, BA)*

Another talented employee also relates TM to the method of identifying and developing employees in order to enhance their skills and achieve the best results:

*“... actually the bank has identified the areas of strength in relevant skills and areas of development so through this the bank see, because we went through different development centre and so, through this, the result of this assessment I mean, we could define the areas of strength, areas of weakness. The bank has actually helped us to overcome these weaknesses and focuses on our strength so you can give the best result” (TE4, BA).*

Interviews with employees at different levels of the hierarchy in (BA) show slight differences between the ways in which management, line managers and employees define TM. Such definitions depend on the individual's job position and experience in the organisation. However, there are two common themes throughout all participants' definitions of TM. The first is the identification, which examines and assesses the right talent, while the second is the development of “high-potential” people for critical positions. This corresponds with how the organisation defines talent as “high-potential”, as discussed in section 5.1.1.

## 5.2 Drivers of TM

This section examines the main drivers for the implementation of the TM in BA; it is divided into two main parts: internal and external drivers.

### 5.2.1 Internal Drivers: Organisation's Philosophy and Succession Plan

The managers who participated in this study highlight that the implementation of a TM in BA is driven by business needs and by the organisation's philosophy of developing and grooming its own talent pool to produce future leaders capable of running the business in the long term. This is shown in the following quotes:

*"see, the philosophy has been very clear for the last almost seven, eight years now, but we want to develop who is groomed as talent; you know it is very difficult for us to go to the market every time and get for the open internal position...now this cannot happen in very unstructured way like this unless there are certain methods, that is exactly why we have certain way in doing things through certain framework and take it to talent management framework as we call it..."* (TM advisor 1, BA)

*"... it is the philosophy that was driving our TM practice... we have the sole scientific approach of (the) assessment center that help(s) to achieve our own local talent pool..."* (Strategic Director, BA).

The HR manager in BA also indicates that one of the main reasons for having a TM framework is to support the organisation's succession plan by ensuring that it has the right people in the right positions at the right time; this could not be achieved without a structured approach such as TM, which helps to meet the requirements of the succession plan; *"I think there are three main reasons; the first one is the succession planning demands, you know, that people are aging in the organisation and you need to make sure that you (are) having the right people at the right time who can fill different roles and vacancies at the bank..."* The managers in BA believe that the organisation needs to make and build its own capabilities rather than buying the resources, i.e. attracting talented employees

from the labour market. They feel that building their own capabilities might help the organisation to face external pressures and ensure its business continuity.

From the above discussions, one can understand why the organisation refers to talent as “high potential” and to TM as “learning and development” for “high-potential” people. This can be related to the fact that the meaning of talent and TM in this organisation is influenced by business needs and by the succession plan, as indicated by the participants from the management group. The managers also report that TM is used as a feeding mechanism for the succession plan in order to produce a sufficient pool of competent and knowledgeable people to hold different managerial levels across the organisation in the medium and long terms. This is raised by the HR manager who states that:

*“... the succession planning required that you need to prepare the second line, the third line of leadership in the organisation... thus, TM is (a) feeding tool for our succession plan that has helped to produce local competent employees...” (HR manager, BA).*

The above quotes imply that the understanding of talent and TM is built around the organisation’s needs and around a succession plan that could be shaped by the requirements of external pressures. For example, the literature in Chapter Two (specifically Section 2.2.3) highlighted that the regulations on private-sector organisations in the Omani context have led the organisations to place a greater emphasis on their strategy of development as a top business priority (The Supreme Council for Planning 2012). Accordingly, this might explain why TM has introduced and why it focuses more on the development of local leadership within this particular organisation. This will be further discussed in the following subsection.

### **5.2.2 External drivers: Government Regulations, Competition and Labour Market**

The management group in (BA) believes that external factors influence TM implementation in a particular way within the organisation. For instance, the Learning and Development advisor reports that government regulations (issued



via the Central Bank of Oman) have required the bank to ensure that 90% of its employees are Omanis who are to occupy different managerial levels, especially in critical positions. The participant (Learning and Development advisor, BA) indicates that local people are not yet ready to hold these kinds of positions. This can be illustrated from the following extract:

*“...the Central Bank requirements and other government authorities which require organisations to hire local people with over 90 per cent...the government influence there, okay in so many ways. One is the regulation that Omanisation should be 90%, so that restricts the sources of (pause) talents, so, the focus of talents and development will be on Omanis maybe almost to 100% extent”* (Learning and Development advisor, BA)

Therefore, the management group highlights that TM is designed to focus on Omani employees (exclusively) in order to nurture and develop them for leadership positions in the future. This explains why the definition of talent in BA refers to “good *Omani employees*”, as indicated by the participants involved in this study. This suggests that the institutional pressure (coercive pressure: government regulations) has influenced the definition and design of TM within the organisation. Furthermore, the management group states that there is tough competition from the government sector and from new banks (Islamic banks) in attracting a talented workforce. This is understood from the following statement:

*“The government is paying in match more and keep(s)... increasing the packages of the government employees’ salaries and this result(s) in draining the talents pools for the private-sector companies including the [BA] and this is one (of) the main reason(s) and the other reasons the Islamic banks which have recently opened, which also try to approached our employees, make it very difficult for private-sector organisations to competing in this market and try to attract better talents...”* (Strategic Director, BA).

From the above quote, it seems that the banking sector faces two types of competition: one from the government sector as, culturally, local people still prefer to choose the government sector as first-choice employer due to less work pressure and higher salaries. As discussed in Chapter Two, people in the Middle East, and particularly in the Gulf region, prefer to work in the government sector

rather than in private-sector organisations (Al-Lamki 1998; Budhwar and Mellahi 2006). However, the competition between government and private-sector organisations could be more in the banking sector than in other sectors. This implies that the type of skills and the knowledge of the banking sector is more generic and can be matched with the government sector's requirements. For example, the local people who are business specialists or business graduates, with experiences and skills suitable for both the government sector and banks, would choose the government sector. This might suggest that the banking sector could face more competition in terms of attracting and retaining local talented employees.

The Strategic Director (BA) also mentions that the new Islamic banks which recently opened in the Omani context and the participant feels that this put further pressures on the commercial banks in terms of retaining their own talents. The participant explains that this is due to the fact that these new Islamic banks still do not have qualified and experienced people who can run their businesses. Therefore, the management group indicates that it is easy for these types of banks to approach and attract ready-made employees from the commercial banks, who also prefer to work in a place where they are not prohibited from doing so by the Islamic religion. This is also confirmed by another participant:

*“... the banking sector is very attractive recently and we have also Islamic banks are coming as well and new banks want ready-made people, so the risk of approaching your employees is very high, because people will go for Islamic banks because of their concept of religion as well as for (the) financial aspect in offering...” (LM2, BA)*

From the interview data, the managers believe that, in order to attract and retain talented employees, the organisation needs to use TM to select the best strategy to face the competitive pressure inspired by the government sector and by the Islamic banks. The managers think that the organisation might not be able to offer their employees salaries as high as those of other competitors (e.g. the government and Islamic banks), but they believe that their organisation can compete and retain its talented employees by offering development opportunities and career progression through the TM approach.

Moreover, all five participants from the management group characterise the local labour market as a “young market”: “... *there are many graduates with less specialised experience, who do not meet the current business demands...*” (TM advisor 2, BA). The management relates this issue to the role of Higher Education institutions in providing high-quality graduates capable of meeting the business needs of the private sector; specifically, they report that the local market lacks specialised people capable of doing the required work, while at the same time there is a market surplus of graduates of poor quality. Therefore, the managers indicate that the bank has introduced a programme targeting Omani graduates in order to develop them and groom them into becoming a competent workforce:

*“there is clear lack of quality of graduates in the market because there is a lot of competition between different organisations to get the best talents the dean list and so on, so, the labor market conditions are really very tight and it is tough competition and the organisations, especially the ones in the private sectors must come up with attractive propositions, HR propositions to attract the talents like talent management is one of them which includes developments opportunities. So, people should that know when they join the bank they will be having long-term career to attract them”* (Learning and Development advisor, BA)

Accordingly, the management group highlights that the organisation (BA) has designed a TM framework to meet both the requirements of external pressures and the business demand. For instance, they explain that the bank has extended the TM system to include everyone, albeit with different development opportunities (to meet the 90% Omanisation policy), introduced a new retention scheme to respond to competition in the external environment and designed special development opportunities for those with high potential, such as its partnership with the Harvard Business School to deliver courses on strategic thinking and leadership. In addition, as it is a profit-driven business, the participants indicate that the bank is allowed to recruit other nationalities across the globe for specialised areas that cannot be filled by people in the local market. The TM advisor (BA, 1), for instance, explains that the organisation has differentiated its HR: 10% are expatriates to meet the current demand and 90% are Omanis to meet government regulations, achieve the succession plan and maintain the sustainability of the TM system:

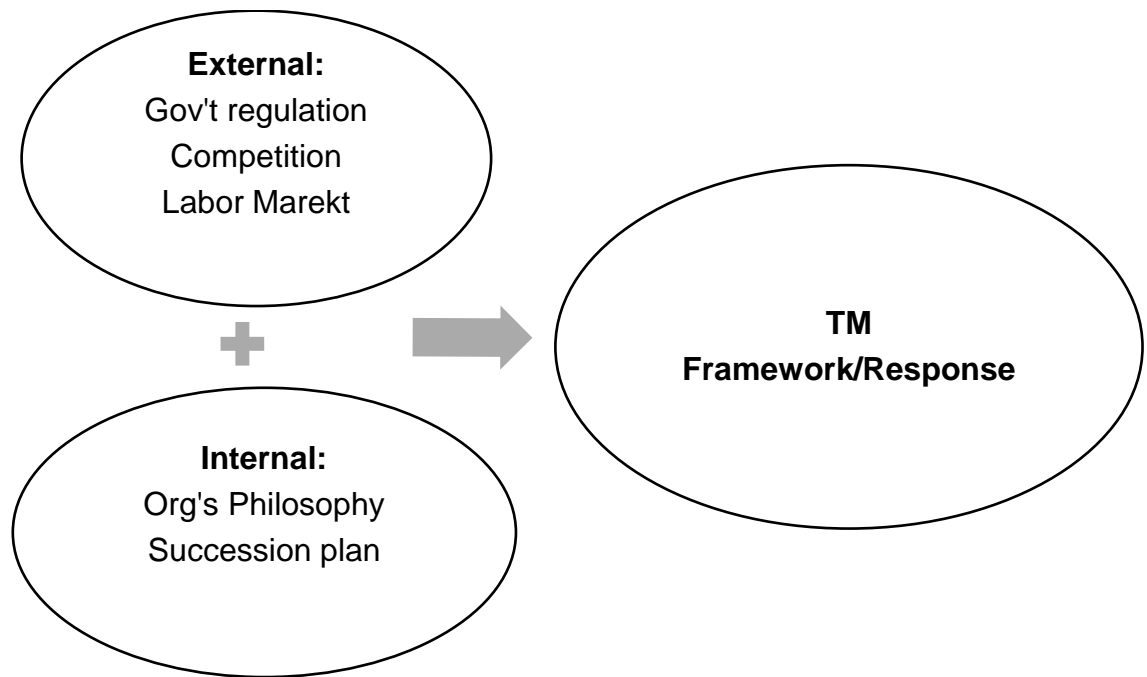
*"I put it in two parts; the first is the establishing of government from the central bank to have 90 plus per cent of Omanisation right? So assuming that 90 per cent of Omanisation right? You cannot go out of the country. So you have to target in terms of Bachelors, in terms of diploma holders, and also Masters so, there are certain number of colleges we can target internally. Second we also work on new journey and what we call graduate management programme you know, so they will go broad but is still in process we will be implementing it shortly. For the remaining 10% who are non-Omanis, the bank has allowed us to go out for the specialised skills and for the job key skills etc ... accordingly we have got different teams working on the recruitment practices" (TM Advisor1, BA)*

The participants also indicate that the organisation has embraced the concept of TM not in response to new HR fashionable terms or status, as mentioned in the TM literature, but, they believe, because of the external and internal factors that face the organisation within a particular context. This is indicated by the quote below:

*"...the outside environment where we can mention, the government and the Central bank has played factor and the internal factor from the organisation, the succession planning required that you need to prepare the second line, the third line of leadership in the organisation, so, definitely we are not doing it because of status, no, we are doing it because of these..." (HR manager, BA)*

This means that the changes in the regulations, and increased competition in the labour market from both government and private sectors, has led the bank to review its TM framework in order to respond to these external factors, as shown in Figure 5.2. Thus, the managers indicate that the organisation has introduced the TM framework to ensure that it has competent people capable of meeting the business requirements, as well as sufficient future leaders in the pipeline. The statements provided by the management group suggest that the institutional pressure (coercive) has shaped and formed other pressures (mimetic and normative, further explained in the next section) by designing a TM framework that fits and responds to the organisation's business needs and succession plan.

**Figure 5.1: The Drivers of the TM in BA**



### **5.3 TM Approach**

The Learning and Development advisor in BA illustrates that the TM approach in BA starts with inclusivity, which means that everyone in the organisation is aware of the criteria for and process of entering the talent pool. This can be understood from the illustrative statement below:

*“... The approach should be very inclusive, everyone should be aware about the criteria and the process of getting included in the selection process. So the entire organisation, that everyone should feel that it is inclusive process, it is not exclusive, so people should be aware about how, what are the opportunities, what are the criteria for getting selected and after that the bank definitely will not have resources to provide sufficient resources to develop everyone; the resources have to (be) put in place where to hold you the best results and this is why it becomes exclusive. So inclusive in the sense..., it should be everyone involved in the process but the people should understand the reasons... why they do not get selected. So that, in subsequent sessions of talent identification, they will... prepare themselves to get opportunities in subsequent ground of selection. But the process is not everyone, everyone is given fair opportunity to be selected but after the selection is done, the high potential will definitely get more attention.”*  
(Learning and development advisor, BA)

From the above quote, it seems that the organisation aims to create fairness among employees and to encourage them to compete for places in the talent pool on the basis of very structured criteria far removed from the subjective approach applied in the culture of the Middle East where critical and leadership positions are reserved for those who have good networking with top management. The managers believe that TM is about changing the performance culture. Thus, they emphasise the importance of having an inclusive process at an early stage. This is also supported by the line managers who believe on the importance of combining the two approaches, inclusive and exclusive, in managing and developing employees; applying an inclusive approach creates fair chances among employees in terms of development opportunities, while the exclusive approach creates competition among employees that will enhance their performance and assist the creation of a talent pipeline.

*“... I like any approach that can create competition between them (laughs) so exclusive sometimes encourage the employees to compete and work hard to reach to upper level... but I think it is fair to give chance to everyone and according to the needs... (of) the development and how keen they are, how can I say it! Like I said that now we have the development centre which is very structured approached with selected few and they have their own development...”* (LM2, BA)

Furthermore, the management group indicates that, due to the limited financial resources available for developing all employees in the organisation, especially at the largest bank in the country, and to ensure efficiency and the success of the

business, as well as to comply with the requirements of external pressures, a differentiated TM architecture is implemented through a combination of both approaches: inclusive and exclusive. The managers explain that the organisation adopts the inclusive approach at the early stage through the initial talent identification; those who did not pass the assessment stage will receive training courses. This means that exclusivity will be adopted for those who passed the assessment criteria (performance and potential). Thus, only a limited group of people will receive different development opportunities and this will be those who have been identified as having high potential:

*“...we identify, develop people who are going to develop into critical roles you know into important positions plus people who are you know cross the bank...., that is what we call talent management, so we want to include right from the top to the bottom everyone, however, there is one population who will be fast track, who are the high potential population, who will receive more development opportunities, while, the another population who will get a lot of training opportunities but not fast track and they will also be part of the talent management system. So, these two put together comprise the talent management system” (TM Advisor1, BA)*

The HR manager explains that the right Omani talent is identified using certain criteria, one of which is the assessment, in which the line manager assesses his employees based on two criteria: performance and potential. To do so, he/she applies the “Nine Box Methodology” as this is the acknowledged international practice for assessing potential; accordingly, *“not everybody will be included in the talent pool”*. The participants believe that the organisation attempts to adopt the best practice for talent identification in order to achieve the best results through the implementation of international and global standards. This is clear from the quote below:

*“We having our talent management policy has a certain criteria, one of those important criteria is the assessment that having the process whereby the line managers can assess the staff that he has and they will be assessed into two main criteria: the performance which is the performance appraisal result and the potential. In the potential we are using nine box methodology, accordingly, not everybody will be included in that talent pool, it will be those people who are rated highly in the performance and in the potential, and they will be in that talent pool in the bank” (HR Manager, BA)*

The HR manager also indicates that the TM is mainly targeted at Omani people while the expatriates are excluded from the TM programmes. However, the bank gives the expatriates opportunities to extend their knowledge and enhance their skills through different training courses: *“... the talent management is used mainly for the development of Omanis; while the expatriates still receive other training courses but (are) not included under the talent management”*. This is also highlighted by the line manager (2) in BA, who indicates two reasons for excluding non-Omanis from the TM: First, the need for compliance with Omanisation and, second, the fact that expatriates in BA are already specialised, which means there is no need to include them in the TM programme. This is deduced from the example below:

*“the bank’s view is to make sure that Omanisation is in the place, so, expatriates, those who are really specialists in areas, so, that is why you see that the talent management is mainly focused on the Omani people, grooming them and so on but of course the expatriates have their own needs, for example they want to attend conferences that are related to their areas, attending training programmes, for example, the head of my social media is expatriate which is very new area, if he is not trained, it is not fair for the whole bank, so you have to provide that, again in terms of financial rewards and others, it is standardised and in terms of retaining and all we do for Omanis” (LM1, BA)*

From the above quote, it seems that there is a two-tier system of development that the bank adopts when assessing local versus expatriate employees. This is believed to stem from the contextual pressures that drive the organisation to focus on Omani employees in terms of TM. This difference might create a sense of inequality among expatriate employees and could raise a problem for the organisation in the long term, especially as the expatriates still dominate the higher positions. Thus, there is still a need to evaluate these selection criteria in order to maintain TM sustainability and effectiveness.



Figure 5.2: TM Approach in BA

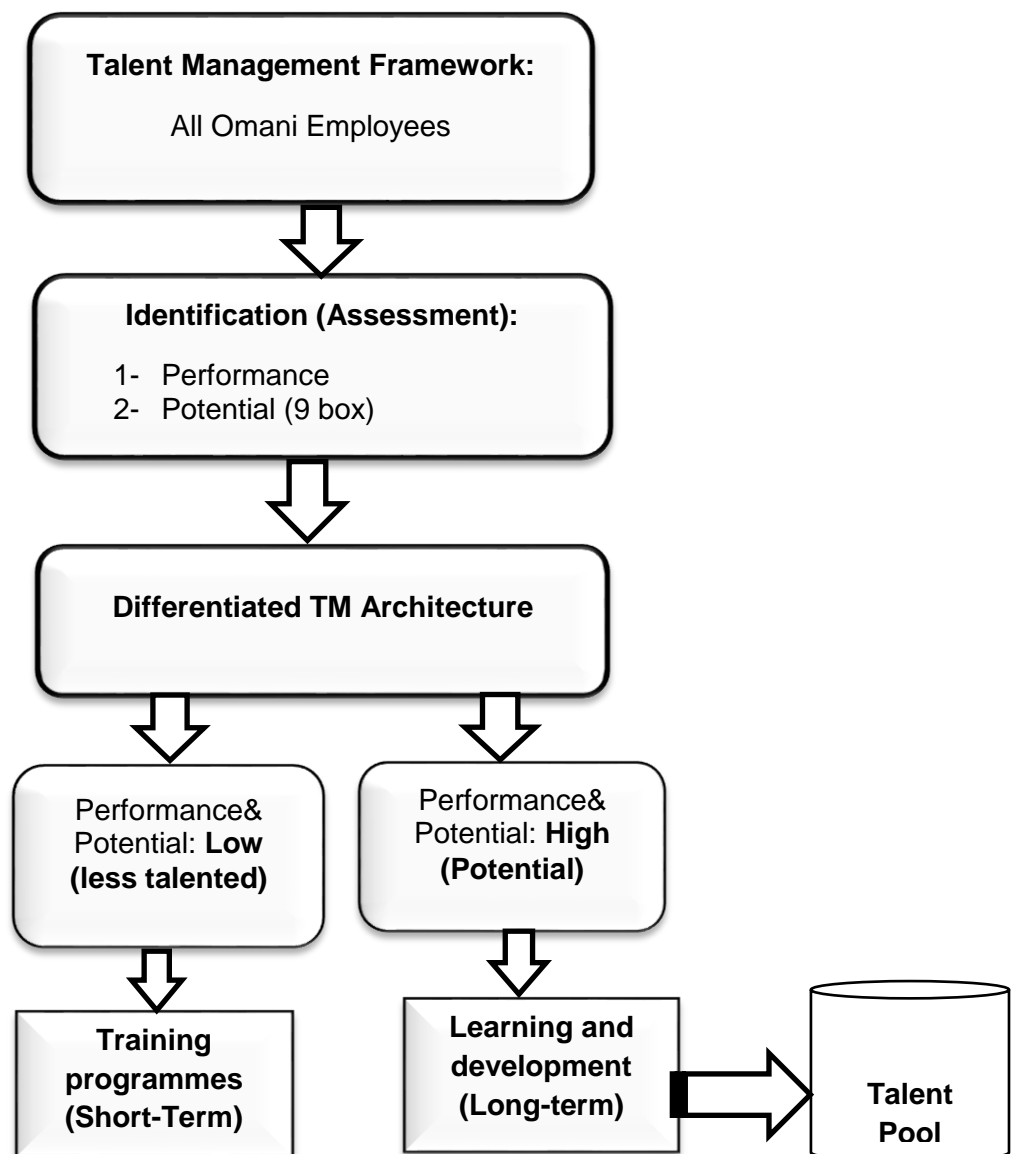


Figure 5.2 shows how the organisation approaches the TM and displays significant influence from institutional pressures (e.g. government regulations) that force organisations to recruit Omanis for the top managerial positions despite the shortage of local talent and increased competition. Accordingly, the interview data indicate that the TM is implemented and that it focuses on Omani employees in order to comply with government regulations, while expatriates are excluded from the programme but receive other training courses necessary to achieve business objectives. It is suggested that there is differentiated HR among Omani and expatriate employees in BA.

Furthermore, the management group highlights the fact that the TM targets every Omani employee (inclusively) in the organisation through the identification stage by assessing performance and potential, as shown in Figure 5.2. This identification stage will differentiate those who are talented (high-potential) from those who are less talented, which leads to the TM system having two components. High-potential employees receive specific learning and development opportunities and might then be sent to the talent pool. Meanwhile, the “less talented” receive other training courses in order to enhance their performance and they may, at some point in the future, have a chance to enter the talent pool (inclusive/developable approach).

The interview data show that BA is implementing a differentiated TM approach in managing and developing its workforce with different development (high-potential) and training (less-talented) opportunities; the staff members who were involved in this study believe that this approach has been created in order to respond to the external and internal drivers, as well as to establish fairness among all employees in terms of development, which may minimise any sensitivity between employees in regard to the TM.

### **5.3.1 How is Talent Managed and Developed?**

This subsection discusses how the organisation might manage and develop its talent in order to achieve strategic goals from the line managers’ and talented employees’ perspectives. The data show that the management and development of talented employees depend on multiple factors. For instance, the line managers in BA believe that there is no single best practice in managing talent; rather, it involves a combination of factors such as recognising them as talent, enhancing their talents through different development programmes, and empowering them. The participants report that the incentive mechanisms were redesigned in order to retain the best employees in the bank. The line managers also indicate that there is a need to include other levels of talent rather than simply focusing on the high achievers/high-potential personnel:

*“...my point of view it is the contribution of the whole factors. Rewarding is very important and even before rewarding them, recognise them as talent and on the job training, development and empowerment, giving them you know delegating them in certain places and give them the authority, let them manage for just you as test basically giving them the chance.... at the moment talent just the high achievers in the bank, I think we need to have other levels” (LM2, BA)*

Thus, the line managers believe that recognising individuals as talented before rewarding them as talented people is important and this recognition takes the form of training, development and empowerment. This line manager believes that a more inclusive form of TM should be implemented and that talent recognition should not be confined to high achievers. Furthermore, the data show that there is an emphasis on the role of line managers in providing constructive feedback, which helps the employees, make further progress and closes any gaps in their performance; *“... you know and always get feedback because, when you get feedback, you can say where is the area which you need to be improved” (LM1, BA)*. It is clear that the line manager believes that this continuous feedback will provide the talented employees with a clear path to the next stage, which is one way of managing employees’ expectations. The four talented employees who participated in this study also believe that the organisation needs to focus more on developing employees’ potential from an early stage and then on mentoring them; depending on his/her performance appraisal, the candidate might be sent to the development centre. This may suggest the importance of having effective assessments in order to assess the right talent in the right place:

*“See, I believe like the assessments should be given to all employees and based on that when you can pick and choose based on the results of assessments of development center, how have we been selected? Based on the grading system and based on our appraisals, so sometimes if your manager is no good you may not get a good appraisal” (TE4, BA)*

One of the talented employees (TE4, BA) feels that there is a possibility of the line manager assessing the employees subjectively, which may impede the identification of real talent, as mentioned in the above extract. Thus, the staff members suggest that identification stage in the TM cannot rely on the line managers alone; rather, the organisation should have numerous assessors to

identify the right talent. This is also supported by other talented employees who stress the importance of having good assessments and appraisals that will help to maintain the TM effectiveness and achieve the best results. The participant also emphasises the role of the line manager in terms of his/ her ability in assessing the right talent for the right job. This might suggest that line managers should be aware in terms of how the talent should be assessed.

*"I think the best practice would be to have a good appraisal and assessment programme available within the organisation. Especially when it is a large organisation, we should be able to identify what are the skills and what is the level of expertise that your team has because, at the end of the day, they will be running the future of the bank and to run (a) successful department, you need strong people with skills... related to their area they in. So the most important thing is to be able to assess where is the strength and which the weakness of each of your staff and are they in the right place because maybe someone in finance is not happy but they could do very well in HR department, or they might be very happy in administration or in another field. So I think this: most important is first to be able to assess the staff and also... to put them in programme with that development, they will take on more responsibilities in the future." (TE2, BA).*

The above quotes provided by the line managers and talented employees show that there are different views and opinions on how talent is managed and developed in BA. Both perspectives (line managers' and employees') believe that the most important part of this kind of system is the assessment and constructive feedback that will help to further enhance the skills of employees and place them in the right positions. The participants also indicate the importance of redesigning the incentive mechanism in order to be able to retain the best employees. However, the four talented employees highlight that the main issue in managing and developing the right talent is the role of the line manager in the assessment, which may negatively affect the identification of the right talent.

## 5.4 Main Constituents in TM

The participants from the management group were asked whether the organisation involves different constituents, such as employees and line managers, in the process of designing a TM framework. The managers show that the process of designing the TM framework in the organisation involves different roles played by different constituents; *“...the way that we do things in BA, we take (and) involve those four segments: the top management, the line managers and the employees and of course HR will play the role of facilitation between these three segments...”* (HR manager, BA). For instance, the participants highlight that the role of top management in this TM is to support and approve the budget for TM programmes. Indeed, all the participants who were involved in this study emphasise the importance of involving the top management in a TM system, because they believe that one of the main reasons why the organisation has successful TM is the support of top management. This is deduced from the quotes below:

*“very supportive, our management is very supportive to have these things in place because they believe that they need to groom from inside the organisation especially for grooming those people who have capability or can take more responsibilities and also, to make them ready”* (TM Advisor 2, BA)

*“... it is (a) very high extent and you see they focus towards developing the Omanis and other things. (It) is very high and having structured in place and how to do that is very evident and what you see and I think I am (the) result of one of that because I was groomed by them, they play (a) very, very supportive role... Because it is very important that talent management is driven by the top-down management. That is why you see that, even when we got the management re-structure in 2011, many of the young Omanis are inductive and where some of them did not have expertise in the management team, that is part of their development process and exposure process and, believe (it) or not, giving them (a) chance in learning the job rather than not just waiting for them.”* (LM2, BA)

In the above statements, the participants express how the involvement and support of top management is essential for TM implementation. This is stated by one of the participants (LM2, BA) who explains how the top management supported and developed her career within BA. Thus, the participants believe that

the process of TM should be driven by top-down management and indicate that the roles of top management are to approve and support TM frameworks.

The interview data also highlight that the role of the HR and TM departments is to design and maintain the TM framework:

*“I am one of them (laughs) because I am absolutely managing the talent-management policy framework here and definitely HR team... if you ask me who execute(s) the framework? The complete bank, so three thousand people in the bank, right? So, if I give it to you into steps: there is (the) core HR team who develops and maintain(s) the framework, facilitator implementation, top management and of course line managers and, most importantly, the employees themselves...” (TM advisor 1, BA)*

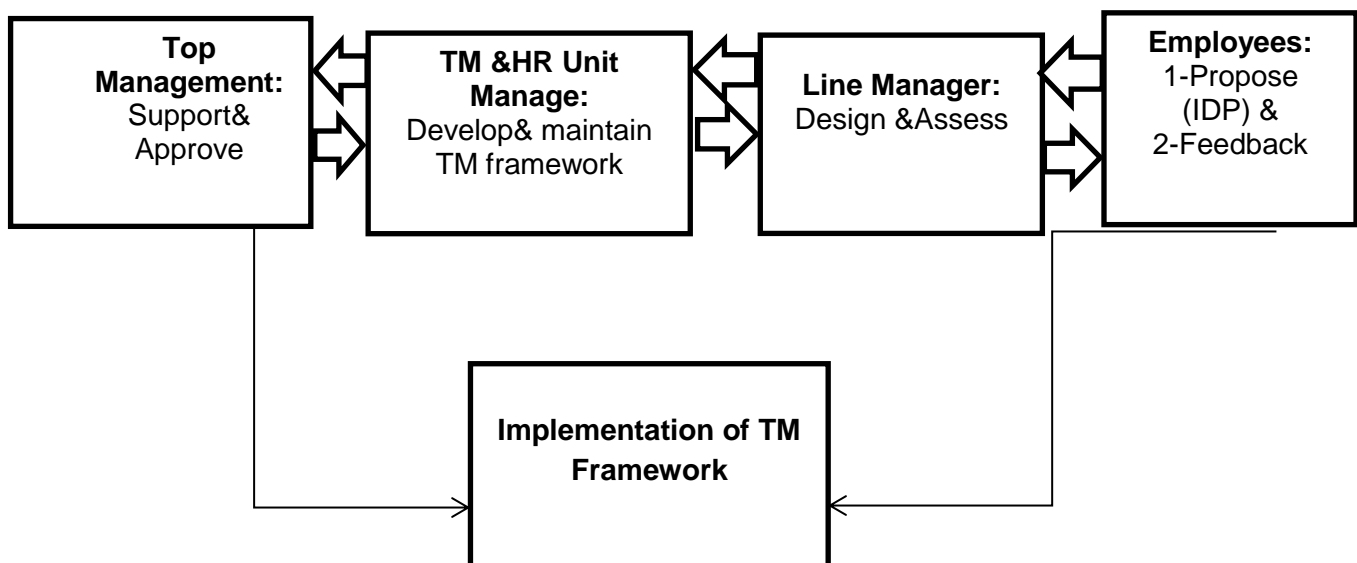
While, the line managers have the central role in contributing to the design of the TM framework as they know the employees' capabilities that will meet the business's needs, while the employees' involvement in this process is to propose their own development, which meets both individual and business needs. The HR manager who participated in this study indicates that there are four “segments” (HR manager, BA): top management, line managers, employees, and HR & TM units, with HR and TM playing the role of facilitator among these three segments (top management, line manager and employees) as shown in Figure 5.3.

The participants from the management group also highlight the fact that the TM is implemented entirely by the line managers and employees, as shown in Figure 5.3; they believe that the line managers work out the best development opportunities for the employees, while the employees use their Individual Development Plans (IDPs) to propose their own development needs to improve themselves in order to meet the business's requirements:

*“...the line managers will speak to them in order to figure out what are the best ways to develop their own employees , so every employee is to have their individual development plan and within that there are various ways for them to develop themselves individually, so you will not be generically developed, the best way is for each employee to have their own personal plan and in order to do that your line manager is the one who recommends the various ways to be developed, so yes we are talking about having the support of top but absolutely when it comes to the actual implementation within HR, with learning it is our line managers and it is the employees...” (TM advisor2, BA)*

From the above quotes, it can be understood that TM implementation is driven by the line managers and employees, as they play central roles in the TM process and in its implementation, as indicated in Figure 5.3. The management group believes that giving the line managers a role in designing development programmes for their employees will help the organisation to allocate the right kind of development. They also feel that this involvement of line managers will help to achieve the strategic goals of the organisation as the line managers are closer to the employees than to HR or top management. The HR manager in (BA) classified the role of HR in the TM process as facilitator and supporter, while the main constituents in the TM are the line managers and employees. However, giving the high levels of line managers' involvement might cause subjectivity base in terms of identifying the right talent.

**Figure 5.3: The Role of Different Constituents in TM**



Moreover, the participants highlight that these different constituents have different views on the TM system, such as the selection of a specific approach to managing the employees (inclusive vs. exclusive) and the selection criteria such as age or the level of experience. However, the management group feels that the organisation exercises strong governance in managing these differing views by setting clear objectives, communicating them properly and explaining the importance of the TM system and how it is linked to the organisation's strategy.

The managers also believe that it is essential to have these different views of the TM system because they will enhance its effectiveness. This is illustrated in the following examples:

*“... we try to facilitate any conflicts or different views by explaining the objectives, by explaining the importance of this programme for the bank, by explaining the linking between the programme and the strategy with (the) bank’s strategy and also explaining how the processes work in the ground. It is not about threatening people, it is not allowed (for) you to come and take my position. It is about you voluntary participate in the programme, where you help as young Omanis to develop and to be groomed and without feeling that (they) are threatening you or your position or your status.” (HR manager, BA)*

*“... we do it by strong governance process, you know. If you just leave it as talent management framework to be implemented, it will be never implemented... so we need different levels of involvement with different views that will help to enhance the TM effectiveness.” (TM advisor 1, BA)*

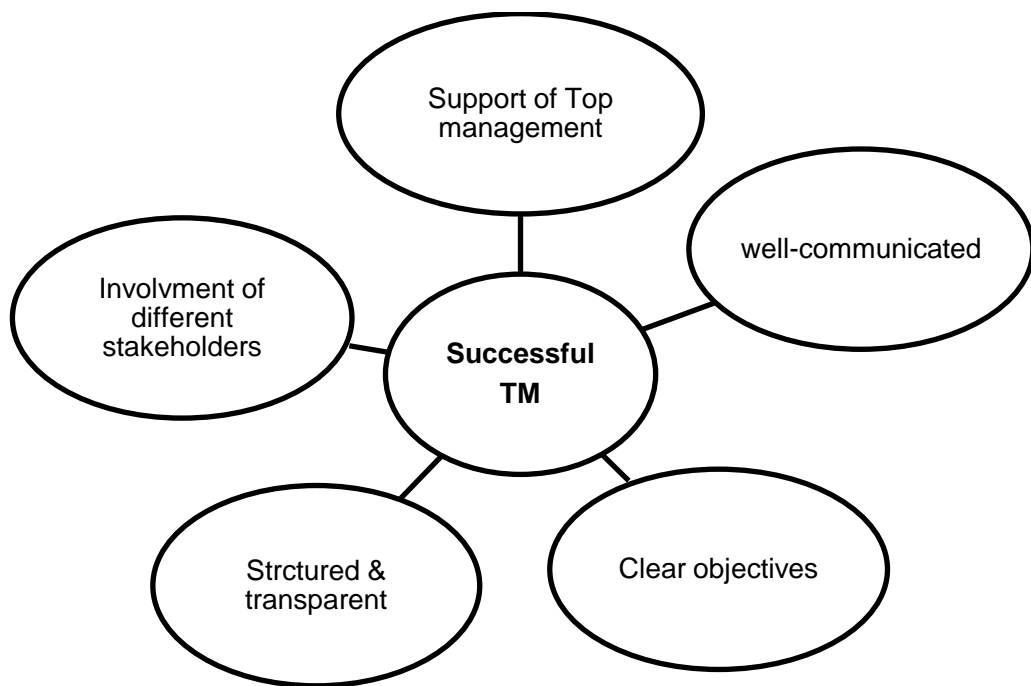
From the above quotes, it seems that the emphasis on the importance of having different levels of involvement came from the belief that, if you want to manage effectively, you have to involve different actors. This could also explain how external pressure, such as government regulation and the culture (*wasta*), influence the organisation’s behaviour (normative pressure) by involving different constituents in terms of TM and placing stress on the involvement of line managers and employees as a key driver for TM implementation. The participants also believe that the involvement of all employees in the organisation in terms of TM is to minimise sensitivity among employees especially those who are not included in the TM programmes (e.g. expatriates and those who are soon to retire).

The management group describes TM in their organisation as a “scientific approach” (Learning and Development advisor, BA), as they feel that it has clear assessment criteria, the involvement of different constituents and support from top management. However, this description of the managers’ view needs further evaluation and assessment from a large group of participants as these managers feel like this because they are involved in designing the TM programme. Thus, they give the impression described above.



All the interviewed participants from within the organisation (the management, line managers and employees) also believe that the success of TM in the organisation is due to a combination of several factors, as shown in Figure 5.4. This may support suggestions in the TM literature that involving different parties across organisations will produce an effective TM system (e.g. Farndale, Pai, Sparrow and Scullion, 2014).

**Figure 5.4: The Factors of the Successful TM in BA**



### **5.5 Selection Criteria for the TM in BA**

This section presents the main selection criteria for inclusion in the TM in BA. The interview data illustrates that although the TM framework is designed to target Omani employees, they must fulfil certain criteria before entering the TM programmes. This suggests that not all Omani employees might be included in the talent management, which tends to indicate a more exclusive approach. The selection criteria for entry into the TM are discussed below.

The managers who participated in this study indicate that the main criterion when selecting Omani employees for the TM system is age. The Strategic Director justifies this choice by stating that it will help the organisation to make the right investment in human capital. He argues that selecting people who are due to retire within a few years is not considered to be a good investment for the organisation because the TM aims to prepare people to hold critical and leadership positions in the long term: *“you cannot choose and say this is talented guy and he is just one year from retirement, so, I do not think he will be a good investment...”* (Strategic Director, BA). This quote shows that the notion of talent in BA implies not just “high potential” but “*young* high potential”. This means that some people, who have potential and are good leaders, are not considered talented employees in BA because they are due to retire soon. This is also supported by another participant who states that:

*“... definitely, talent management systems take age considerations, in terms of the minimum services in the bank and also in terms of maximum age. For example, talent management is mainly focused on young people between 25 to 45, this the ideal group of people that we have to consider them in terms of talent management...”* (Learning and Development advisor, BA)

Additionally, the HR manager explains that age is connected to the organisation’s succession plan which aims to develop and groom young Omanis, thereby affecting the way in which talent is selected in BA. Therefore, the management group believes that the best practice is to select people aged between 25 and 45 for TM; the managers also characterise this group as being educated and experienced. Accordingly, they indicate that the organisation determines that TM candidates should be aged between 25 and 45, with not less than three years’ experience in banking services, and that they should possess the minimum qualification of a Diploma, as highlighted by the HR manager:

*“...age-wise that will be connected to our succession planning, yeh and so that it is effect on we have taken broad when we design the succession planning system, when it comes to talent definitely that will affect the way that you are doing the talent management programme (Pause) because the strategy that we use and taking the young Omanis who are just graduated, so, definitely you are talking about people in their early 20s and you want to concentrate on those because you want to start the process right with people who having a good education, and then entering the banking industry and developing them with skills, knowledge and attitude, and observing, and how they will develop accordingly this will help you when it comes to deciding are they ready now to take that particular job or that Y job. So, age is one of the important factors that we use to plan for our succession planning and that is linked to the talent management”*

The above quote shows three main factors – age, experience and qualification. The participants describe these factors as “eligibility criteria for the TM system” in BA and the managers say that they are important investment criteria for producing talented people to run the business in the long term. Additionally, the managers believe that linking the TM to the succession plan and the organisation’s strategy helps the organisation to identify the criteria that need to be considered in selecting the right talent. They indicate that the organisation attempts to choose the best strategy for getting the best talent in order to respond to external environmental pressures (e.g. the Omanisation policy and competition) as well as to its own internal characteristics. However, this may lead to discontent among the employees, especially those who are near to retirement, unless the organisation provides very clear communication and fair development opportunities for other excluded groups.

As discussed above, the criteria governing entry to the talent management framework are classified as “eligibility criteria”. However, interviews with managers suggest that performance and potential play an important role as final determiners in identifying people for the assessment centres. This is discussed in Section 5.3 and illustrated below:

*“... the best practices said the people should be between 25 to 45, so this is the best practices... so, we have minimum qualified criteria, one is, you know, not less than 25 years... because... we cannot put someone who just joins the bank today into the talent management programme.... After that we always do the potential rate, right? Performance and potential it comes beside and that together go to the talent pool, so yes, definitely the performance and potential will be the determiners for the talent pool with other assessments...”* (TM advisor 1, BA)

From the above example, it seems that the organisation has established two types of selection criteria: the first for entry into TM (age, experience, education, and nationality); and the second for the identification stage (performance and potential), which requires the candidates to undergo other assessments. The management group feels that the organisation has established a structured approach to selecting and considering those who are “talented” and that this stems from its succession plan and strategy. However, the use of performance and potential as selection criteria for the talent pool needs further evaluation and review because there may still be some subjectivity in the selection process, especially if the line manager is the one who assesses the employees based on performance and potential. It can be argued also that, although the organisation attempts to select the best practice in terms of selection criteria that enable them to identify the right local talent, there might a problem in terms of excluding the expatriate employees. This might pose a potential problem for the organisation in terms of maintaining the effectiveness and sustainability of TM.

## **5.6 Obstacles that Limit the Effectiveness of TM**

This section examines the challenges and obstacles that may limit the effectiveness of the TM in BA. The data show that the organisation is facing external and internal challenges in its efforts to run an effective talent management. The managers who were interviewed for this study describe these challenges as negative factors that impact on the effectiveness of the TM system within the organisation. For instance, the Learning and Development advisor indicates that the culture of the Omani ‘talented workforce’, who always prefer the government sector to the private sector for employment, has a negative impact on the TM system: *“...most of the talents will approach government sector*

*organisations first and then the second choice will be going to the private sector and organisations like [BA]*” (Learning and Development advisor, BA). From this example, it appears that local talented people prefer to work in the government sector rather than the private sectors, probably due to the perception that there is less work pressure and higher salaries.

The participants also highlight one of the main issues facing the banking sector, which is that some people believe that their religion (Islam) prohibits them from working in the banking sector because of its commercial concept; this also has a negative impact on efforts to attract and retain talent in the organisation: “... *it is only by nature that people do not want to work in a bank, because of, you know, their own religion; so sometimes we face difficulties in attracting local people...*” (TM advisor 1, BA).

Additionally, the managers report that the size of the local labour market and the nationalisation policy influence the effectiveness of the TM, as there is a shortage of a specific type of talent in the market and the Omanisation policy controls and limits the recruitment of expatriates. This may make it difficult to find the appropriate talent to work in the banking industry. As stated by HR manager:

*“...we do not find the right talent in the labour market and I think that is one of the strategic issues in Oman where Omani education institutions should work hard to develop their courses to meet the needs of the private-sector organisations. So, yeah, we face some difficulties to find the right talent for all the vacancies and the regulation limits to recruit expatriates.... we need to hire some expatriates because some certain technical jobs we do not have people in the labour market, local people that you (can) recruit (to) fill those vacancies”* (HR manager, BA)

Another challenge highlighted by the managers is the fact that individuals always think about their career progression and whether or not it is linked to the TM which is based on selection. The managers in this study believe that this will lead the employee to look for other employment that does not involve this kind of assessment:

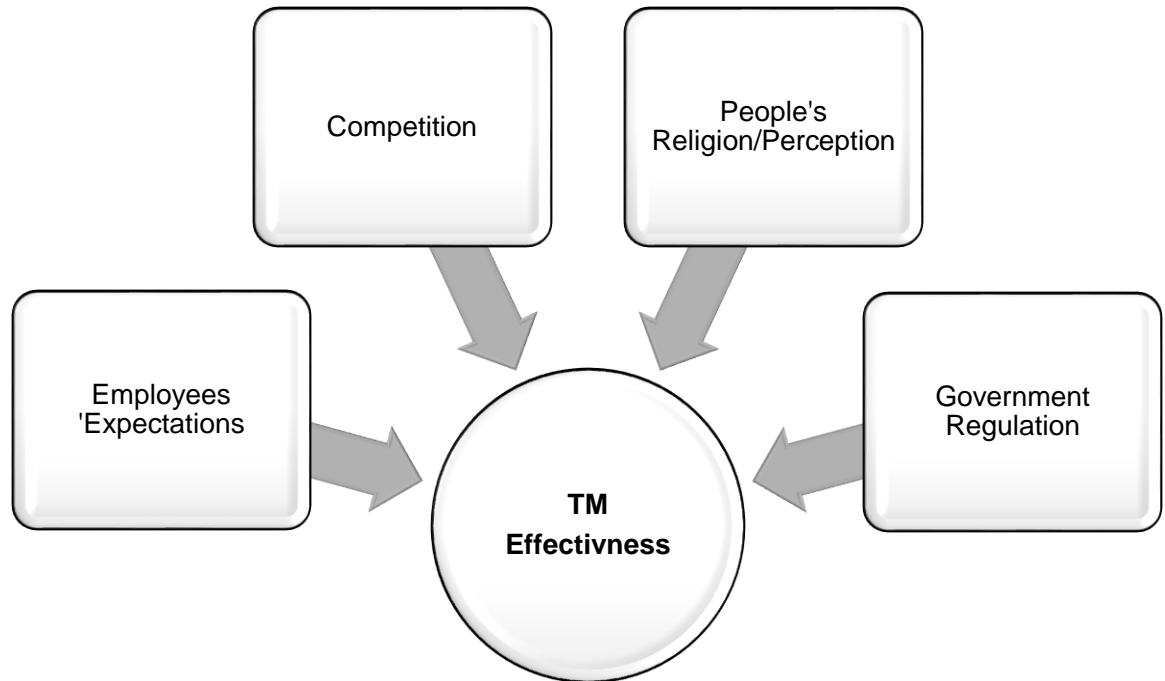
*“... there are some challenges... the lack of talent management practices in other organisations makes it very difficult for one organisation to do that because talent management is also, there is some, it comes with some stress and change, which is not easy to accept, especially if it, (the) same sort of pressures are not there in other organisations. So people will start moving from one organisation to another organisation where career progress is not linked to any talent-management practices; it is just based on their performance not on potential. So this is one main challenge, if one organisation implementing is not in other organisations, definitely this results in some attrition...”* (Learning and Development advisor, BA)

The line managers also state that one of the main challenges to an effective TM is “*employee expectations*”; the talented employees will link talent management to critical and leadership positions and will come to believe that the identification of talent and the various development programmes will result in the individual obtaining those critical positions. The line managers believe that this type of expectation may have a negative impact on TM, especially if these expectations are not met. Therefore, the interview data suggest that managing employee expectations in the organisation becomes the main challenge to an effective TM. The data also imply that line managers must cater for these different expectations and for the opportunities that exist. Thus, the line managers appear to feel that they need to groom their existing talent and understand their strengths and weaknesses; this can be deduced from the example below:

*“...managing the talented people, their expectations are different you know and also talented people each one is different than other. So you need to see what that person has as opportunities, what talent he has is, and how is he or she? So accordingly you need to manage that person based on that expectation and based on that area to groom him in that and see his or her strength or weakness or areas for improvements we call it and accordingly each one we have to handle them differently...”* (LM1, BA)

These different challenges limit the effectiveness of a TM within BA and are shown in Figure 5.5. These challenges are centred on perception, culture and expectations.

**Figure 5.5: The Obstacles that May limit the Effectiveness of the TM in BA**



### **5.7 Outcome of TM**

This section examines the outcome of the talent management for the organisation from the management's, line managers' and employees' perspectives. The interview data show that the organisation has used different strategies and tools in order to attract and retain a talented workforce. Despite tough competition and dynamic market conditions, managers believe that a good reputation, in terms of investing in human capital, a clear progression path and attractive salaries help the organisation to attract and retain a talented workforce. This can be observed from the quotes below:

*"...people like to come and work in [BA] because of the environment and number of years being in business and good bank, the total number of people today in [BA] three thousand and plus. So, people believe this the good organization for develop our career" (Strategic Director, BA)*

*“... for example, we have (a) branch manager programme which gets 250 local people in the bank in the branches, we have (a) head-office programme which gets 100 or 150 local employees... so when people see value on doing these kind of programmes, so the results are very successful...” (TM advisor 1, BA)*

In the above quotes, the management group feels that the tools that have been established in BA have a positive impact, especially on the employees. This is confirmed also by the talented employees, who indicates that the main reason for joining this organisation is the development opportunities: *“basically the development opportunities and I want to be challenged and I said this is the right place that basically I got opportunities in the ministries but I prefer the private sector”* (TE1, BA). This quote shows that talented employees like to have challenging tasks, as well as development opportunities, and they believe that government organisations do not provide these types of task. This suggests that the way of life in government organisations is focused on having a job for life and on financial security. This implication is also supported by another talented employee who feels that the organisation is the right place in which to have her career groomed and developed: *“[BA] has given me a lot in terms of development and career path; so I do not think there will (be a) better place in the market than BA in terms of taking care of our career...”* (TE3, BA).

All participants in this study indicate that the organisation has worked hard to introduce appealing tools that help to attract new talents and retain existing ones, especially considering the tough competition facing the banking sector in the country. The management group reports that BA has achieved positive results by introducing these tools. For instance, the interview data show that the TM has a positive impact on the organisation’s performance, specifically on employee commitment. From the organisation’s perspective, the managers who were interviewed for this study highlight that the TM has produced numerous leaders who handle the bank’s business at home and abroad as the bank has international branches across the globe. Additionally, the managers state that TM has helped the organisation to meet government targets with 93% of managerial positions now occupied by Omanis. This can be understood from the examples below:



*“... we have (a) number of people now, they have taken their positions, high positions as young Omanis, not only here in bank in Oman but in our banks in somewhere in Saudi Arabia, Kuwait, Dubai, Omanis leading there, Omanis leading there, Omanis became chief executive officer of the bank which is heading the branches there...” (Strategic Director, BA)*

*“... because of the different development programmes... offers by the bank, we were able to achieve 93% of Omanisation requirement in different top and middle managerial positions... so actually we are 93%, so this is for the last six, seven years... so it is very successful...” (TM advisor 2, BA)*

Furthermore, the Learning and Development advisor in BA highlights that the TM has altered the way in which selection and promotion for critical positions is implemented. He indicates that the past criteria were subjective but that selection and promotion are now conducted in a more structured and scientific way. Thus, the managers appear to feel that TM is about a change in performance culture. This can be understood from the example below:

*“...in the past ...the selection of the branch manager was based on subjectivity based on their performance, seniority and so on. We came up with assessment centre programme for branch manager which is for all candidates who have completed a certain number of years of services and proper education ... put them through the assessment centre. The best candidates will be selected to become branch managers...Majority of the cases, the branch managers were selected through this process are very, very successful, they came up with changes in the branch which turn around in terms of the branch's performance...the talent management process in this case has been proved by adding value to the business” (Learning and Development advisor, BA)*

The Learning and Development advisor above states that there have been improvements in branch managers' performance and that TM has created competition among employees. He illustrates this by giving the example of current branch managers who are performing very well because they know that there are people in the development centre who are ready to take their positions if their performance declines. Thus, the managers appear to feel that TM and its criteria for selecting a candidate could change the perception of people within the organisation who used to believe that selection for promotion was based on subjectivity (*wasta*) rather than objectivity criteria. The managers also believe that this might produce a competent local workforce who can run the organisation for the long term. Furthermore, the line managers report that commitment and loyalty

have also improved: *“...it is not commitment only but loyalty has improved...”* (LM2, BA).

The four talented employees who took part in this study also express their gratitude at having a range of development opportunities and at being in the talent pool. This has increased their commitment levels because they believe that the organisation has invested in them. When asked whether they would have any intention of leaving the organisation in the event of them receiving good job opportunities from other organisations, the four talented employees answered: *“I have built loyalty”, “I am happy”, “I always been loyal you know to the organisation”* and *“I am attached to [BA]”*. These positive responses from the four staff members suggest that TM has had a positive impact on employee commitment.

This might be deduced from the following story:

*“I have built some loyalty to this organisation because they developed me and because they invested heavily in me , I do not think that other organisations will put any more as much efforts like this organisation and I can see development... the moment that I see that development stops I will leave”* (TE1, BA)

The data show that the TM is considered an important retention tool for talented employees in the organisation. The participants' experiences of TM give a good indication that TM in the organisation has played a positive role in developing and retaining employees. All staff members who took part in this study within BA, from both the management and the employees' groups, interpret the outcome of TM in BA in three main areas: a decline in employee turnover, an increase in the level of commitment and an increase in the number of Omanis holding critical positions in the organisation. However, a wider study across a larger number of staff would be needed to assess this positive impact of TM. Also, the participants who have been selected for this study might feel under pressure not to reveal their true feelings. The managers might also want to give a good account of their TM programmes because they were the ones who designed and developed these programmes.

## 5.8 Summary

Several main themes emerged from this case-study. Firstly, the meanings of talent and TM are driven by institutional pressures. This suggests that in BA the word 'talent' means "Omani High Potential". The findings suggest that the external factors (e.g. government regulations) and the organisation's needs have influenced how talent and TM are defined. This finding suggests that the meaning of talent and TM may change over time is based on these institutional factors.

Secondly, the participants appear to feel institutional pressures play a role in shaping the TM in BA, as shown in Figure 5.6. These influences have caused the organisation to create a two-tiered TM system for two different groups, "talented" and "less-talented" employees, using different assessment criteria, as shown in Figure 5.6, which suggests that the differentiated TM architecture approach is implemented. Thirdly, the interview data show that this organisation conceptualises TM as a process of identifying and developing the right talent in order to run the organisation in the future. The data also show that TM is regarded as the main supportive tool for the organisation's succession plan. Therefore, the participants believe that the design of TM is built around the organisation's context.

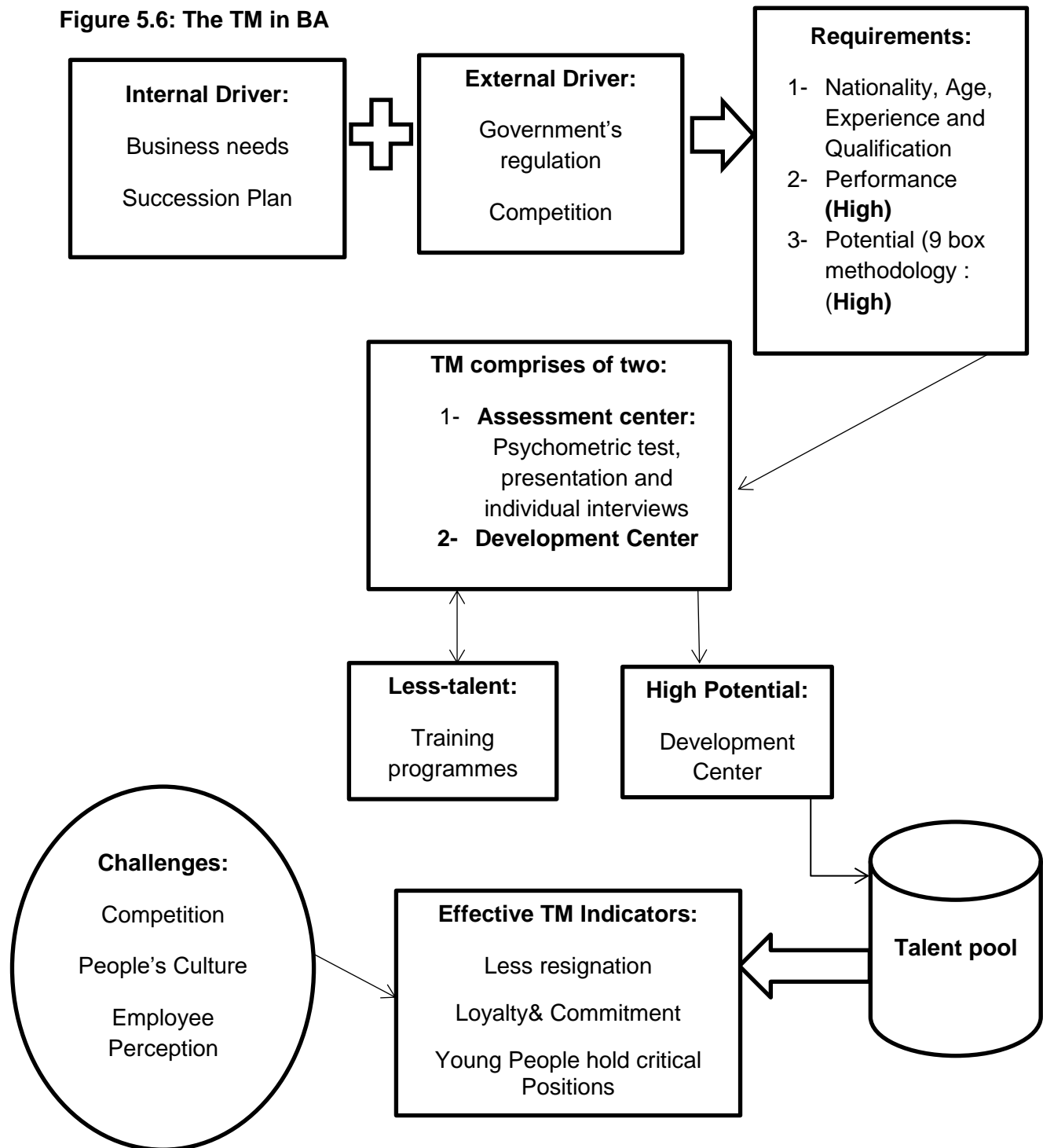
Fourthly, the data indicates that the design of TM involves different roles played by different constituents. All the staff members note that top management plays an important role in TM by supporting and approving the budget for TM programmes. While, the managers believe that the line managers and employees exercise the main influence in the implementation of the TM. HR and TM units act as facilitators among these groups. The participants indicated that TM is not the responsibility of HR and top management alone but that of the organisation as whole.

The fifth theme that emerges concerns the factors involved in a successful TM. In this case, the data shows that the involvement of different constituents, good communications across the organisation, and a structured and transparent approach are the main factors in the success of the TM in BA. At the same time, the participants report that the main driver of the successful TM is supportive management, which suggests the importance role that played by top

management in running this kind of programme. However, there are some challenges that may limit the effectiveness of this system, as indicated in Figure 5.6. The main issue faced by many organisations, as the data revealed, is employee expectations and their perception that TM will elevate them to “critical positions” when sometimes it is not necessary to be talented to be allocated a critical position.

Lastly, from the data collected it is believed that the TM in this organisation has achieved positive results in terms of its performance as well as employee commitment. The participants feel that the organisation has followed a very sophisticated approach in investing in talent management. However, there are indications of the importance of development opportunities and career paths to the talented employees, who link their commitment to the organisation with their development and career paths. This might suggest the importance of TM as a development and retention tool for the best employees.

**Figure 5.6: The TM in BA**



## Chapter 6: Case –Study Two (BB: Banking Sector)

### 6.0 Introduction

This chapter explores the understanding and operationalisation of the TM from the perspective of management, line managers and talented employees. The case-study organisation - BB - is a local bank with 1,400 employees and 61 local branches as well as another three branches that operate internationally. The six participants in the present study were drawn from the Headquarters in Oman and consist of one Strategic Director, one HR manager, one TM advisor, one line manager and two talented employees who are currently in the TM programme; Table 6.1 gives an overview of the participants' demographics.

**Table 6.1: Participants' Demographics (BB)**

<b>CATEGORY</b>	<b>GENDER</b>	<b>AGE</b>	<b>Ethnicity</b>
Strategic Director <b>(SD)</b>	Male	50	Omani
Human Resource Manager <b>(HR)</b>	Male	45	Expatriates
Talent Development Advisor	Male	48	Expatriates
Line Manager <b>(LM)</b>	Male	52	Omani
Talented Employee <b>(TE1)</b>	Male	45	Omani
Talented Employee <b>(TE2)</b>	Male	46	Omani
<b>Total</b>	<b>6</b>		

The Strategic Director notes that [BB] is one of the largest banks in the country and its vision is to be “the bank of choice” by attracting customers as the best bank for service and value, employees as the best workplace, shareholders as the bank providing the highest return on equity and sustainability, and community as the most caring bank for the nation. The managers who were involved in this study state that their organisation believes that investing in human capital is one of the most important means of achieving the organisation’s vision. Accordingly, the organisation established the Academy Excellence Center which focuses on providing different learning and development programmes for the employees. The focus of this study is the TM system, which is one of the programmes offered

by this Center. The management group indicates that the TM in BB has three different layers: platinum (top management), gold (middle management) and silver (lower management).

The chapter is structured as follows: Section 6.1 analyses the meaning of talent and TM from the perspectives of management, line managers and talented employees. Section 6.2 examines the main drivers of the TM from a managerial perspective. The discussion of the TM approach is presented in section 6.3. Section 6.4 outlines the main stakeholders involved in the TM from the perspective of managers, line managers and talented employees. Section 6.5 examines the selection criteria for the TM and discusses this from a managerial viewpoint. The main obstacles that may limit the effectiveness of the TM are presented in section 6.6. The outcome of the TM is discussed in section 6.7. The final section (6.8) merges these themes and presents a diagram that explains the TM within BB.

## **6.1 Definition of Talent and TM**

This section discusses BB's definition of talent and talent management and uses the interview data to examine how TM is understood by each of the stakeholder groups.

### **6.1.1 Talent**

Within BB, talent is related to the behavioural and functional competences that are thought to play an important role in shaping talent within this context. The participants from the management group (e.g. the Strategic Director and TM advisor) view talent as the technical and behavioural competences possessed by individuals, which are then shaped into the leadership capabilities that will distinguish an individual from their colleagues. This is deduced from the quotes below:

*“ ...Actually focus on the behaviour competencies that play very important role in shaping that talent to where you want that person to be and that is why in our interviews the bases for the acceptance is focuses on the behavior competencies...” (Strategic Director, BB)*

*“... We measure the talent based on competences. Competences are behavioural as well (as) technical. Competency (is) defined as knowledge, skills and attitude, a combination of that. We have a competency framework. For each position, we identify (the) competency the person should have, behaviour as well as functional... But talent development when we talk, we talk about specifically targeting the people who show above normal capability to learn and potential to develop. They are assessed through various tests, including ability test, also in silver and gold assessment which cover mathematical ability, logic ability, language ability etc...” (TM advisor, BB)*

From the above quotes, it can be seen that the meaning of talent in the managers' understanding is related to the behavioural and functional competences which are considered to be the minimum competency requirements for any employee. The managers who were interviewed for this study believe that TM starts from the recruitment stage, after which the talent is shaped through specific competency-development programmes. The managers explain that people who are able to fill the competency gaps and create value based on their performance will be treated as high-potentials and will have the opportunity to take on further responsibilities.

While the line manager defines talent as those who have “*potential*” to be in “higher positions” through development opportunities:

*“... talent is to identify potentials that is actually the key objective of the talent management. In my view, (it) is (to) identify potentials for development through two stages, one is to have an assessment centre and the other part is (a) development centre and the assessment centre meaning that the staff get assessed against certain competences...” (Line Manager, BB)*

The talented employees understand the concept of talent as meaning a “*high achiever*” or those who are able and willing to do the job than other staff which is based on an individual's performance ranking. This can be understood from the example below:



*“... you have 10 staff working under you, within 10 staff everybody is not the same, you find this staff is good in processing, if you find this staff is good in marketing, you find this staff is good so and so. Then, from that, there is daily assignment you can easily identify, this is the talent staff and maybe there is some staff might not be willing do that job, ‘no, I cannot do the job’, but other staff said ‘I can... handle (it)’, give another assignment, handle another assignment, you are great staff because she can do multi-skills and then you upgrade her. Once you upgrade her, should come different than others...”* (TE1, BB).

It can be understood that managers and talented employees have different ways of interpreting the meaning of talent within the organisation. Such interpretations depend on the individual's job position. However, it is shown from these different definitions that the “talent” in this organisation is not considered to be “innate”. This suggests that talent can be acquired through development and training programmes. It can also be observed that the participants from the management group differentiate between competency and talent in that the former is used to identify the right talent through competency frameworks; this could explain how competency and talent related to each other and how these two concepts have been used in this organisation. For instance, the management group indicates that the competency framework consists of eight competency areas, including individuals' capacity for strategic thinking, relationship building and teamwork. The managers believe that this framework will identify the strength of each employee in terms of behavioural and functional competences, thus helping to allocate each employee to the right layer in the TM programme. This suggests that the competency framework is used as a tool to measure talent in the organisation.

#### **6.1.2 Talent Management (TM)**

According to the HR manager, TM at the organisational level is regarded as

*“...creating our own leadership pipeline which has to be Omani nationals taking over the senior positions in the future; that is how we defined talent management... It has got various branches to it like succession planning, career planning and talent management itself...”*

In this regard, the managers conceptualise TM as the creation of a leadership pipeline by identifying the right competences from the recruitment stage and from performance and managing those who have potential through different development and training programmes. The participants highlight that TM in BB is based on a competency assessment as the first stage in identifying the right talent in order to create the leadership pipeline that will support the succession and career plan. This also supported by the TM advisor in BB who says:

*“... talent management actually per se covers the entire gamut of activities right through recruitment, development, performance management, reward management etc. We are gradually trying to base the recruitment on the competences – through competency-based assessment. Similarly, training is also being linked to competency gaps to the extent possible. So, if recruitment is competency-based, then there is the first stage of the talent management and then you know his development, his performance management, until you know (you are) able to identify who have potential to be future leaders...”*

The above quotes from the management group also show that the term of TM in BB is mainly designed for the Omanis, highlighting the influence of institutional pressures (coercive: Omanisation policy) in defining TM in a specific way within this organisation; this will be discussed in more detail in Section 6.2.

From the talented employees' perspective, TM is defined as the whole cycle of human resource management as, by hiring the talent, providing training and identifying the competency gaps, development programmes will be implemented. Through this process, the two staff members who took part in this study feel that the organisation will be able to identify who has the potential to develop further and to hold leadership positions. This is shown in the following quote from the talented employee (2, BB):

*“...the talent management is the whole A to Z kind of cycle of human resource management. So, you hire the talent, the right talent, you train them, you provide them, identify their competencies gaps, then you try to implement some training programmes which will help to reduce those competencies gaps and then of course you send them through a career progression plan or succession plan, so that they find a way on how they grow a way...”*

The two talented employees participants view TM as an HR process spanning recruitment to retirement. This shows that both the management and employee groups have a similar view in regard to TM conceptualisation that starts from recruiting talent and developing and rewarding those who have potential for leadership positions through the competences assessment. This implies that the organisation's context seems to influence how employees at different managerial levels understand TM, meaning that the staff's understanding of TM seems to be related to how TM is defined within the bank. Thus, it is indicated that the meaning of talent and TM in BB is focused more on competency-based assessment which enables the organisation to identify the right talent (who has the potential) to create a leadership pipeline.

The way of defining talent and TM in BB can be explained by the internal and external drivers facing the organisation. These will be discussed in the following section.

## **6.2 Drivers of TM in BB**

This section examines the influence of internal and external drivers on the TM within BB.

### **6.2.1 Internal Drivers: Succession Plan and Retention Strategy**

Managers within BB believe that TM is a very important tool to support the organisation's succession plan of building the right capabilities for the future and providing a sufficient pool of local leaders who will run the organisation in the long term. This is indicated in the following examples:

*“Basically, to support the succession plan and to achieve the (pause) to have some kind of career path for the people. So, the people are motivated, there is engagement plan basically; people will be more engaged with organisation if they are getting their long-term career with the organisation. So, these are main reasons” (TM advisor, BB)*

*“... one of the main drivers to have talent management because it helps in supporting our succession planning and the succession planning is also one of the requirement(s) of our regulators, which is, you know, the central bank has put a lot of pressures in this area to have the succession planning okay! So again, succession planning links to the talent management...” (Strategic Director, BB)*

In the above quotes, the managers indicate that the implementation of TM in the organisation is to help and support the succession plan which aims to provide local leaders. This is also found in the previous case-study (BA) which suggests that both BA and BB in the banking sector have implemented TM in order to support their succession plan that aims to provide competent local leaders who will be able to run the organisation in the medium and longer terms. The participant in the above quote (Strategic Director, BB) also indicates that the pressure from the regulator has influenced the organisation’s succession plan. This implies that the influence of both pressures (coercive and mimetic) in shaping the organisation’s internal factors in order to achieve the best results. For example, the TM advisor in BB explains how the implementation of TM could support and achieve the succession plan of the organisation by stating that:

*“All these assessment and development centres give us a pool of the people who are ready to take up the next position, leadership position. So this talent management contributes to our succession plan. So, in case, say, (a) particular division or the department or section needs people at a leadership level, we can select (the) right person from the talent pool depending on the kind of experience and skills required. We do not have to go through the list of 1,400 people; they have the list of 25 or 30 people who are already assessed and trained.”*

It is also noted from the above first example (TM advisor, BB) that the organisation introduced TM as a motivational and recognition tool to foster engagement among employees who are viewed by managers as having long-term careers with the organisation. This is also highlighted by the HR manager when he illustrates that one of the main reasons for having TM in place is to assist

the retention of those high achievers, not only with money, but also through the development programme linked to their career progression:

*“... we introduce TM as part of the retention strategy, see giving more money is not enough for the retention, there is always somebody in the market will pay higher, so what additional you will do for your employees to help you retain them? Talent management, whereby they fast track their development, you ensure that they (are) well taken care of, you ensure they (are) recognised properly and you ensure that they are reward properly and that is another reason we done this all structure of talent management...”* (HR manager, BB)

The above quote might also explain that the organisation is thinking about TM as part of a retention strategy, alongside the more familiar rationale of hoping for increased profits. For example, the managers in this study view TM as one of the important tools to retain and keep the high achievers through placing the emphasis more on development and career progression rather than on financial factors (e.g. money). The managers also believe that local talented employees might easily move into more relaxed government jobs that pay better and have fewer working hours. Thus, the management group feels that establishing a robust retention strategy in terms of career development under a TM system might help the organisation to face up to fierce competition:

*“... people are leaving one bank (for) another for better salaries and so on. If an employee sees himself to be progressing more in his parent organisation through a structured career path, he won't like to look for other jobs. If he sees his career path for himself, 'this is my development part, this is my career path and I have good development opportunities here'. So he won't leave the job for (a) couple of hundred rials. Therefore the purpose of talent development includes retention, engagement plus succession plan...”* (TM advisor, BB)

From the above statements provided by the managers interviewed for this study, it seems that the succession plan and the belief in the importance of motivating and retaining high-achieving employees have led BB to implement and design TM based on these internal drivers. The next section discusses the external factors affecting the TM in BB.

### 6.2.2 External Drivers: Government Regulations, Competition and Labour Market

The interviews with the managers in BB suggest that external factors, including government regulations (Omanisation policy), competition and the characteristics of the labour market, have each influenced the ways in which TM should work in the organisation. This is illustrated from the example below:

*“...in Oman there is scarcity (of) ... local talent and there is influence from our regulators, the central bank, the Omanisation should (be) 90%, I mean in the banking sector, but there are shortages in various areas (such as) corporate banking, treasury, investment there are still 40% shortage, see there is still shortage of 40%, so what you will end up? You will end up with competition that (you) can get only from other banks. So what we have advised in that we do here the talent management in the area of development, you need to know where the areas that talents been shortage and build that and build on that, for example, you recruit new graduates and develop them on that specific areas... So, there is (a) lack and scarcity of talent in Oman in particular and of course in (the) whole region and there is competition at the moment of this...” (Strategic Director, BB)*

In the above quote, the participant explains the influence of government regulation (Omanisation policy) in generating other pressures, such as a lack of local talent due to the insufficient output of higher-education institutions (in terms of graduates), which has led to an increase in competition. The managers believe that the external drivers have led the organisation to implement TM around this context. For example, the participants report that the government regulations in terms of the Omanisation policy have shaped the structure of the TM in the organisation by requiring it to place Omanis at the top level, and this cannot be done simply through a structured approach such as TM. An HR manager within BB states:

*“it does definitely, it does, see we have got Omanisation challenge; we need to achieve a certain target of Omanisation by certain years which have been identified by the Central bank, our Omanisation target now is 90% and above... We have around 8% of expats in the bank which may be about 100 staff. So, in order for these 100 people also to be replaced by Omanis, it is necessary that we have some development plan for the local people. Talent development overall is also to some extent addressing Omanisation process...”*

In the above example, the HR manager refers to the Omanisation policy as a “*challenge*” and reports that there is a difficulty in responding to this regulation and in achieving the target of more than 90% Omani employees. Therefore, the management group indicates the need to respond to this challenge and to ensure that Omani people are able to do the job effectively. The organisation has introduced TM as a method of managing and developing the employees to the desired standard. This may explain why all participants define TM as the “*creation of Omani leadership pipeline*” (HR manager, BB). This also shows how the understanding of TM and its implementation is influenced by the organisation’s context.

Furthermore, managers highlight that the competitors had influence on the introduction of TM as a retention strategy:

*“... there is a new competition from the Islamic banks which are recently opened and these sorts of banks try to attract the most experienced people from our bank or other commercial bank. This became an issue for us because local people do not want to work in our bank because of its commercial concept; so we have to introduce TM to retain our staff. The government sector also became a strong competitor as they increase salaries with other benefits...”* (TM advisor, BB)

The participants from the management group show that new banks are opening up and new Islamic banks are entering the banking sector. The managers mention that many people prefer to work in this type of bank rather than in the commercial banks, as they believe that their religion forbids them to work in commercial banks. In addition, the participants highlight that increases in government salary packages have a negative impact on the banking sector as employees leave for better salaries and less work pressure. Thus, the management group reports that this has also led to an increase in competition and put further pressure on the banking sector in terms of attracting and retaining local talent:

*“...the recent changes in the government’s salary package, which... increased the salary of all their employees, has made it difficult for us because, you know, the employees start (to) think and compare between private sector and the government with high salary and less work pressure...”*  
(Strategic Director, BB)

The characteristics of the local labour market have another influence on the TM in BB. The management group shows that the local labour market is characterised as a “young” market in which there are a lot of fresh graduates, albeit with very limited specialist knowledge and experience. This is illustrated in the following example:

*“...there are people good Omanis who have sense of responsibility, have wanted to work smartly but when it comes to the experience level there is an issue, the labor market does not help because there is lack that mean I have to pay more, I have to steal from other banks and pay a lot of money okay! So to what our strategy said is get from fresh graduates, push five or ten in different areas in every group maybe if the need five, you do more than that let’s say ten with assumption that the five you will lose them okay! And develop them and push the people that you have currently to take the higher responsibilities okay...”* (Strategic Director, BB)

It can be understood from the above quotation that, due to the characteristics of the local labour market, the increased competition and the government regulations, the managers have come to believe in the importance of TM as an essential strategy that might help the business to meet both external and internal requirements. The interesting point is that the TM aims mainly to target the fresh graduates, an approach that may be related to the organisation’s succession plan of attracting sufficient numbers of young people capable of leading the organisation in the future.

Lastly, it can be seen that the two banks (BA and BB) face the same institutional pressures in terms of the competition, government regulations and the labour market; this suggests that those organisations operating within the same context have the same institutional pressures, which tend to lead to similar practices. This also could explain how the influence of one pressure (e.g. Omanisation) can generate and shape other pressures (e.g. competition and organisation strategy). Therefore, the interview data suggest that the TM in these organisations has been

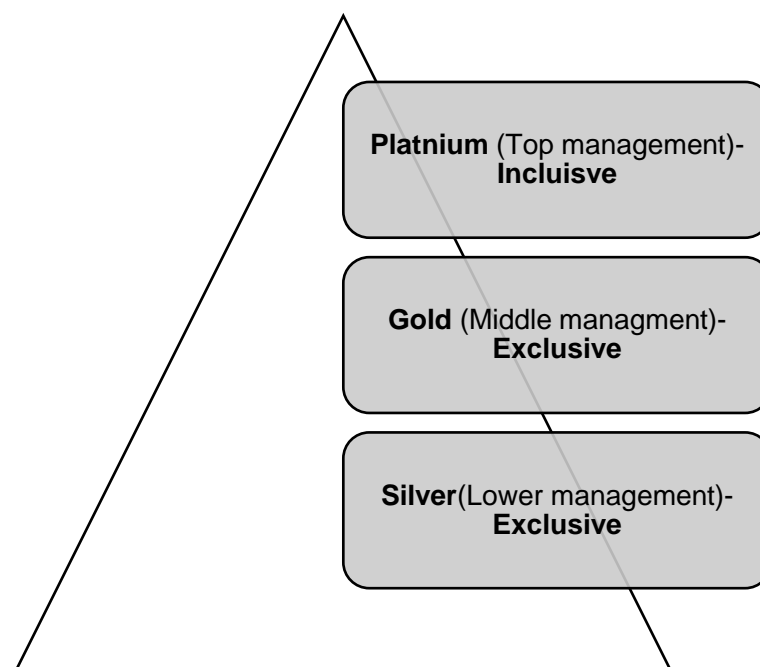


introduced to focus on local people, with an emphasis on fresh graduates, and it is important to examine further the internal and external drivers that have shaped BB's approach to TM.

### 6.3 TM Approach

The purpose of this section is to analyse the influences of the external and internal factors on the TM in BB. The interviews with the management group show that there are both internal and external drivers concerning the establishment of TM within BB. The participants also report that these drivers have an influence on the shaping of TM and on how it is operationalised in BB. According to the managers who participated in this study, they indicate that the TM has been designed to include three different layers and that each of these layers has a different approach; these are summarised in Figure 6.1.

**Figure 6.1: TM Approach in BB**



Managers describe the organisation's approach to managing and developing talent as a "Top-Down" approach. The Strategic Director states that this kind of approach, which starts from the top management, is taken firstly to strengthen

the knowledge of employees in this layer by identifying gaps in their competencies and then providing them with proper development programmes. The second reason for this approach, as highlighted by the interviewees, is to make them aware of the importance of TM because the right kind of leadership boosts the success of talent management in any organisation. Therefore, the managers state that this layer targets everyone in the top level (inclusively), which suggests that there are no selection or rejection criteria. This is deduced from the following:

*“...the reasons of starting from the top level because we believe if the top level is being capable, if the capabilities of the top level is developed, and then class it down to other levels, so we will be able to have effect on the rest of the people for the long term, because the top level is a big influential on the rest of people in the organisation, so that is why the top-down approach in our bank...”* (Strategic Director, BB)

From the above quote, it seems that “talent” in this layer does not mean “High Potential”; the TM in this layer aims to develop leaders capable of helping and supporting all the other people. This is also affirmed by another participant who says:

*“... The first layer of TM specifically addresses the senior management, the executive managers and above. People at senior management are assessed to identify their competences’ gaps; and then they become the part of development centre which aims at bridging the competency gaps identified in the assessment centre... (in) platinum there is no selection or rejection, only (in) silver and gold there is selection and rejection...”* (TM advisor, BB)

Interviews with managers show that the meaning of talent within BB varies from one layer to another and thus the approaches to managing these different layers also differ, as shown in Figure 6.1. In addition, the participants justify the inclusion of top management in the TM programmes because of the latter’s power to persuade other people to accept TM in the organisation; *“...because the top level is a big influential on the rest of people in the organisation, so that is why the top-down approach in our bank...”* (Strategic Director, BB). Meanwhile, the participants highlight that gold and silver layers adopt an exclusive approach. The management group reports that the exclusive approach is used in these two

layers because there are a lot of people occupying the middle and lower levels of management and the organisation cannot include everyone because there are poor performers and it would be a waste of money to invest in this type of people:

*“...The top part is for everyone, on the second level we are going to filter this and then you will cut of course to 25 to 30 people and here you will know your talent, where do they stand, there will be certain criteria which ...the process that has gone through psychometric test kind of questions and also the group discussions and the presentations and how the evaluation takes place...”* (Strategic Director, BB)

According to the TM advisor, the aim of the gold and silver layers is to develop the future leaders for the long term, which suggests that not everyone will be included: *“...in gold and silver because the development of future leaders is the aim, we focus only on Omanis...”* This quote also highlights that the gold and silver layers focus only on Omanis (exclusively) and this appears to show the role of institutional pressures and government regulations in shaping the organisation's TM. Furthermore, the HR manager explains that the exclusive approach is implemented for several reasons. First, it inspires other employees to compete for the TM by improving their performance. Second, the HR manager argues that, were the TM to be implemented for all, it would be no different from the training programmes. Third, there is a need to distinguish between high-potential and non-potential, between the high performer and the average one; according to the HR manager, all this can be achieved through the exclusive approach. This is exemplified in the statement below:

*“... you cannot take the whole 1,400 people in the bank to the talent pool, not everybody is talented, there are some good performers, solid performance, but as I told you earlier, are they ready for the next jump? Possibly no, so they have to wait; they have to meet certain levels of assessments. So it cannot be done for the whole people in the bank, no bank does it. It is 5% to 7% of your top cream talent... this programme (is) for them. And see, you need to understand one more thing: the whole of such environment of the talent management pool is basically to make others compete for that, ‘I want to perform better to go for that talent pool’, otherwise if you give it for everybody what is the use? It will be like (a) normal training programme, you need to create that gap, you need to create that distinction between your potential and non-potential, and great performers and average performance and make them grow and fight for this that will let them work more hard, otherwise there is no fun in the whole activity and it will become just like (a) routine job...” (HR manager, BB)*

Interviews with managers in BB indicate that the organisation has designed the TM to respond to internal drivers as well as external drivers, thus producing three different layers with two different approaches (inclusive and exclusive). As a result, it is clear that the organisation has differentiated TM architecture in terms of managing and developing the different managerial levels within the organisation. In addition, the interview data reveal that the meaning of talent varies from one layer to another; for instance, the notion of talent at the top level refers to the strengthening of knowledge by identifying gaps in competencies, while the meaning of talent in the golden and silver layers is “High Potentials”. This could explain how the organisation attempts to balance between compliance that responds to regulatory requirement and a competitive TM process in order to ensure economic legitimacy. Accordingly, this has led the organisation to decouple the best strategy that helps in achieving an equilibrium (differentiated TM architecture). This has also led the organisational actors to shape their own TM approach that could fit and customise within their professional context. This also suggests how the managers conceptualise and operationalise TM within the organisation’s environment.

In contrast to the previous case-study [BA], the interviews with management indicate that [BB] has different layers of purpose in managing and developing their own talented employees, which show the role of the organisational belief and structure (normative pressure) in determining the TM approach in an organisation. However, both organisations (BA and BB) do focus their TM

activities on Omani people with different development levels, suggesting influence of the external environment.

### **6.3.1 How is Talent Managed and Developed?**

This subsection discusses how the organisation might further improve the management and development of talented people from the line manager's and the talented employees' perspectives. The line managers and talented employees who took part in this study indicate how assessing and understanding employee needs, good leadership, coaching and mentoring help in managing and developing talent more efficiently. They believe that this can be achieved through a competency map, indicating the competency gaps and then allowing employees to practise on the job, with coaching and mentoring, before reviewing their performance:

*“...go through assessment, a proper assessment, this is it starts from the assessment, talent management framework starts from the assessment and then once you know you assess the person where does he or she stand against very clear competencies that is competency for the job and then he will establish actually very scientific way actually of doing it you establish that, that gap...”* (Line manager, BB)

In the above example, the line manager believes that correct assessments, based on identifying competency gaps, might help to identify the proper development programme which will then spot the right talent for the organisation. This may refer to the role of line managers and their abilities to assess and identify the individual's needs. Hence, the participant states that there is a need for good assessors to identify and develop talent. According to him also, talent can be managed through good coaching and mentoring which also help to nurture talent. In addition, the line manager highlights the importance of engaging the employees with the organisation's vision of what they should do to achieve this vision; this will help to create a sense of loyalty and a feeling that *“I am engaged with that organisation”*

Hence, the participants indicate that the organisation is working to establish three verticals: Rewards and Awards, a staff engagement programme, and communication. From the line manager's point of view, these are believed to help to manage and develop talent more efficiently.

Furthermore, the two talented employees who were interviewed for this study highlight certain obstacles that may limit their development, such as work pressures, considering that the TM programme requires them to attend classes and to do assignments; however, they feel that the approach currently followed by the organisation has achieved good results in terms of identifying the right talent. Yet, the talented employees emphasised that the approach should be consistent and systematic in identifying the right talent. This can be understood from the example below:

*“...The most important thing is to maintain the consistency in your approach. So, basically in simple terms you assess your staff, you identify the training needs for example in terms of bridging the gap in competencies and you ensure that they undergo the training programme.....you know you balance the things as you go around you know and there is no one solution but I think the concept is a very simple, you identify, implement training and mentor them and it is a cycle basically in simple terms...”* (TE2, BB)

In the above quote, the participant believes that having multiple assessors in the TM system will help to identify the right talent. He states that identifying suitable people, allocating the right development and then having the right mentor will help in managing and developing talented people more efficiently. It can be seen that both the line manager and the talented employees share the same view about managing and developing talent within BB. Their opinions and experiences about how to manage talent effectively place more emphasis on the importance of having the right identification from an early stage through having the right assessments. This may suggest that the organisation might need to use multiple assessors to identify talent. However, there is a need to conduct a wider study with a large number of participants to assess and evaluate how an organisation could manage and develop their talented employees effectively.

The next section will shed light on the involvement of different constituents and their influences on the TM.

## 6.4 Main Constituents in TM

The interviewees from the management group indicate that the whole process of the TM involves different roles played by different constituents. For instance, the Strategic Director explains that the role of the top management in the TM process is to approve a substantial budget for the TM programmes. Thus, the participants believe that, without their support, TM would not be implemented. This is another reason for the involvement of top management in TM, a factor mentioned by the participants involved in this study. However, the managers state that the main influence on the TM design is exerted by line managers whose role is to assess the employees and to determine the training needs that might enhance their performance and meet the business's objectives. This is deduced from the following quote:

*“business leaders, the leadership or division heads and group heads of the departments. They work together in determining the training needs of the organisation and based on that the HR implement this, so, the decisions are not only HR, HR helps in views but also we believe that we are partnering to help the business, the people actually in the business, to improve and we need to hear from them and know from them the needs...CEOs have to approve that” (Strategic Director, BB)*

From the above example, the Strategic Director in BB highlights the fact that the line managers in the organisation have the main influence on TM as the whole process of TM depends mainly on them, while HR support and aid the design of the TM system. Additionally, the management group indicates that employees are involved indirectly in the TM system by providing feedback on how TM programmes might be made more efficient:

*“ exactly, and discuss with the line managers, each, each stage you go, you go and brief your line manager, this is what we have done, this is what I know and he will give you the feedback, he can see how you do your work and how you change, it is change management” (TE1, BB)*

In the above quotation, the talented employee (1) states that TM is about change management, which means that he believes TM is intended to change the performance of the employee. The participant explains his involvement in TM and shows that the line manager represents the link between employees and managers in terms of the TM system. From the interview data collected in BB, it is reported that employees at different managerial levels within the organisation have different involvement roles in the TM system. The managers believe that having different actors' involvement is important in enhancing TM's effectiveness.

Furthermore, the managers indicate that involving different constituents may create different views of the TM system. However, the HR manager in BB believes that the existence of different views on the system might help to enhance it and make it more efficient. The HR manager also illustrates that the organisation follows a very structured approach in managing these different views. This is the SWOT analysis where all the employees call for discussions, communication and strong justification for why the organisation implements the TM system in this way:

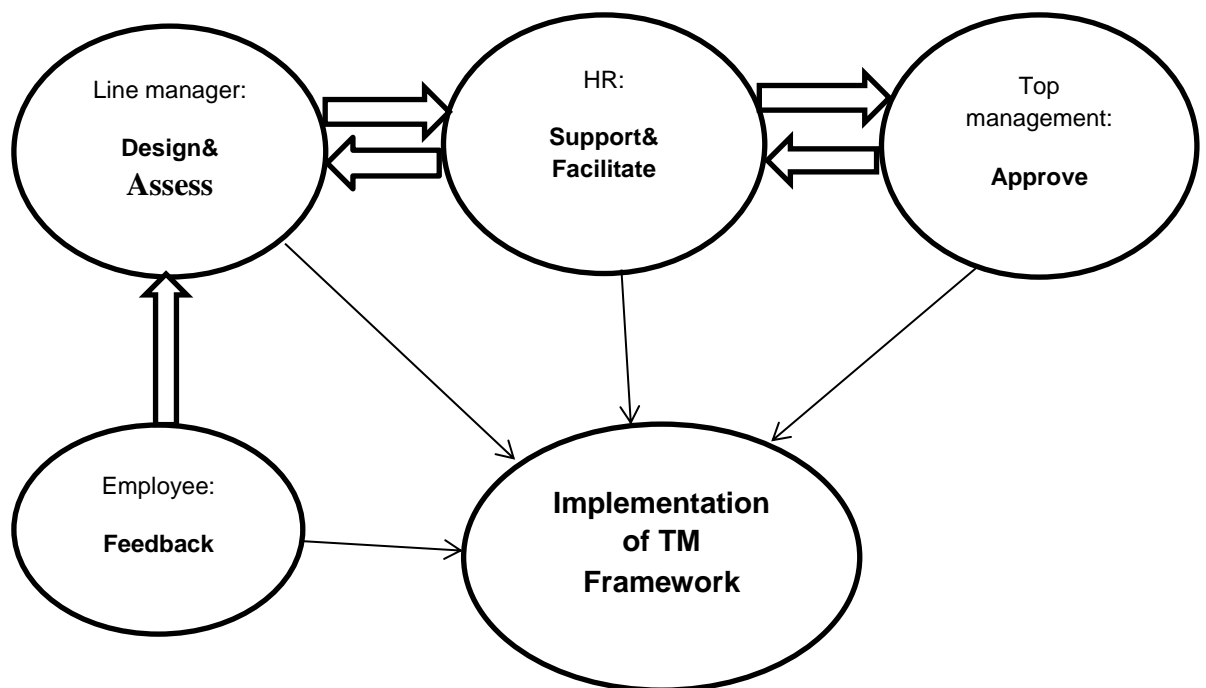
*“see it is all making scientific approach, whatever there are conflict of it, opinion we are always approach we are always look at any items which cause conflict, we do four dimensions, we do the SWOT analysis, strength, weakness, opportunities and threats... that way and it is result over the very professionally constructive discussion...” (HR manager, BB)*

There are obviously multiple actors involved in the TM process, as shown in Figure 6.2. The managers in this study indicate that there are three main constituents who are directly involved in TM: the HR, the line manager and top management; meanwhile, the employees have indirect involvement in TM by providing feedback on it, as shown in Figure 6.2. However, the management group highlights that the main influence on the TM process is the line manager who plays the role of assessor and designer of TM as well as forming the link between management and employees. These different roles in the TM process



can be linked to the organisation's belief in the importance of involving different constituents to make the TM system more effective. This might also explain the influence of the external environment on the organisation's behaviour and beliefs, which is translated by normative pressure, showing how the managers perceive and develop TM within the organisation's context.

**Figure 6.2: The Role of Different Constituents in TM**



## 6.5 Selection Criteria for the TM in BB

The data in section 6.3 showed that the organisation follows a differentiated TM architecture by involving three different layers with different approaches. The inclusive approach is implemented for the platinum layer, while the exclusive approach is implemented for the gold and silver layers. This may also suggest that there are different selection criteria for these three different layers.

The management group indicates that there are no selection criteria for the platinum layer in that all the members of the top management are included unless they are due to retire within three years, in which case they will not be considered

for the TM. The managers in this study indicate that the importance of involving all the top management in the TM programmes is to strengthen their knowledge in terms of the importance of TM. This can be understood from the example below:

*“Normally what happens the age criteria are not fixed criteria, they are criteria depending on when we try to shortlist. Suppose that we put the age criterion of 30 years and we found only five people, so won’t consider that criterion but what we are trying to do that the young high potential people, that is the silver layer of development, should be up to 35 years of age and then gold level, that is middle management up to 45 years, and senior management there is no age limit – of course the person should not be retiring next year two or three years” (TM advisor, BB)*

In the above quote, the TM advisor (BB) identifies age as one of the selection criteria to be considered in terms of access to the gold and silver layers. However, the TM advisor states that age may not always be fixed; it depends on the number of people in these two layers. In addition, the participant justifies that the age criterion is used to create a shortlist if there are a lot of people in the golden and silver layers. The interview data indicate that the silver and gold layers are designed for young people aged between 30 and 45; this is illustrated by the participant’s view of “Young High Potential”, which reflects the meaning of talent in these two layers. Within BB, the participants report that age is related to experience.

Furthermore, the Strategic Director indicates that the main criterion considered in the selection for the TM system in the gold and silver layers is the performance ranking:

*“We consider the performance ranking history of that person and also talent management plays a role in retaining people, so we want to take care of all those people who are performing well and those who really achieve higher performance”*

*“... the young high-potential people, typically 30-45 years of age and only Omani of course, and their performance appraisal has been about (a) certain level because this (is) a big army of people here, so we have to shortlist the people based on their performance appraisal as well. They go through the assessment centre which consists of ability testing and group discussions, interview etc. and based on that, we decide on (the) cut-off mark and select 25 people and then send them to the development processes. So all these assessment and development centres give us a pool of the people who are ready to take up the next position, leadership position...” (TM advisor 1, BB).*

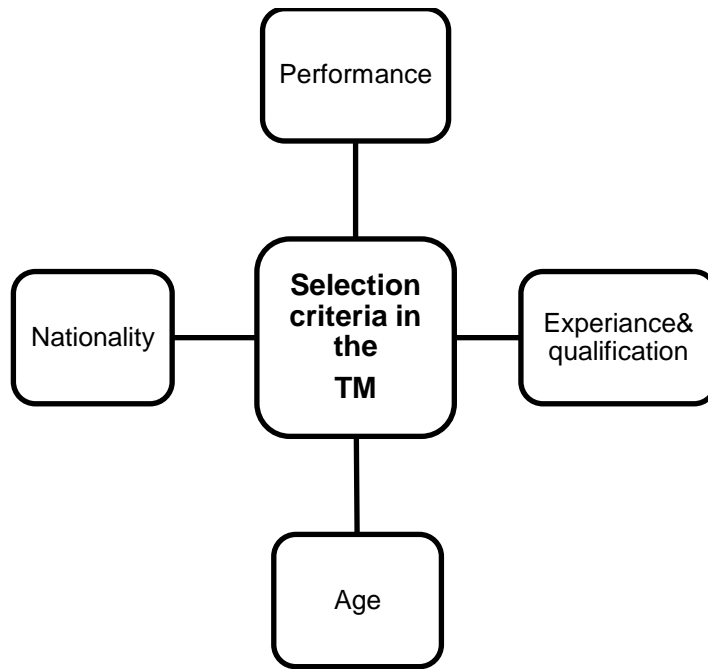
The managers also explain that the performance criteria depend on the employee and the line manager. However, this may create subjectivity in the selection process because sometimes the line manager may not be sufficiently competent to assess the employee, or the employee may not have a good relationship with the line manager. This will result in misjudgments in defining the right talent.

A further criterion considered by managers, as shown in the above examples, is that of nationality. Managers highlight that the gold and silver layers of the TM system are sensitive to nationality, whereas the platinum layer is not. The gold and silver layers are designed for Omanis only due to the institutional pressures discussed in Section 5.3. Again, the above quotes show that there are different assessment practices to select the right talent for the leadership positions, suggesting that these different selection criteria in the gold and silver layers have led to the exclusive approach. Applying the performance as a main criterion for talent identification might suggest that the organisation attempts to mimetic the best practice in managing and developing talent in order to achieve the best results.

Therefore, Interviews with the management group show that the organisation has adopted a dual approach in terms of managing and developing these three layers: the inclusive approach is adopted for the platinum layer while the exclusive approach is adopted for the other two levels (gold and silver).

Figure 6.3 below shows the criteria that are considered for TM selection including age, experience and nationality. However, performance remains the main criterion in the process.

**Figure 6.3: The Selection Criteria for the Gold and Silver Layers in TM**



The selection criteria shown in Figure 6.3 are considered by the managers as eligibility requirements for the talent pool. The managers explain that, once the candidate meets the above criteria, he/she will be sent to the assessment centre for further assessments, such as psychometric tests, in order that his/her competency gaps might be identified and his/her potential assessed. Accordingly, different development programmes will be designed. Although the managers state that the organisation follows a structured approach to selection, there is still a need to review the role of the line manager as the main assessor identifying the talent. This may suggest the need for multiple assessors to identify the right talent for the organisation. This might also need further evaluation, with a large number of participants who have been and are in the TM system, regarding the influence of line managers on TM assessment.

## 6.6 Obstacles that Limit the Effectiveness of TM

This section analyses the obstacles that may limit the effectiveness of the TM system in BB. The managers who were interviewed for this study believe that there are no serious obstacles negatively impacting the effectiveness of the TM system in BB; however, the management group indicates that certain internal and external challenges may occur in the future that may negatively impact the effectiveness of TM in the organisation, as indicated by the HR manager in BB:

*“...yes you might have obstacles in the future, if people start struggling with you they are part of the talent pool that might be an obstacle you know there are a lot of people have left the bank, but so far we do not have that issue that face this challenges. That is good (laugh), for example, if tomorrow the market condition will change, regulators become very strict and the banks will stop growing then the whole investment in the talent management needs to be how much but (Alhhmdualih: thanks god) so far has been nothing which has come out as major obstacle whatever small concerns we have senior management is always there to remove any obstacles, they have done it and the CEOs are really helpful...”*

From the HR manager's view, it seems that the organisation is not currently facing any major challenges to the TM, yet there might be some external obstacles, such as government regulation and changes in market conditions, which might stop or limit the TM effectiveness. However, the participant emphasises on the importance of top management in supporting the TM and removing any obstacles or difficulties that may have a negative impact on TM effectiveness in BB. The Strategic Director also highlights that the talent management system may be wasted if the organisation does not have the right leadership: *“leadership...yeh, definitely this is the main obstacle; your talent management can go to waste if you do not have the right leadership in place... The leadership plays (an) important role even in creating knowledge, all these courses and other, it does not work if you do not have the right leadership. That is why we focus at the top and including the top management in the TM...”* (Strategic Director, BB) The participants believe that the leadership of an organisation can have either a positive or a negative influence on TM effectiveness. Therefore, they related the practice of involving top management as the first layer in the TM programme.

Moreover, the managers feel that the TM system may encounter resistance from some employees because it is a new system that evaluates the employees based on specific criteria in terms of their performance. This can be understood from the example below:

*"...no wasta (laughs), no subjectivity, you want to be clear, you want to be performance-based... so this is the way we are trying hard and I hope that people will realise the importance of that in come up with comfort zone if I may say and once it becomes clear, then of course, they will look (at) it as normal things; initially, there is a lot of shooting, a lot of, you know, people gravening about the system because they... (are) not used to it, I meant they do not like to be assessed especially those who used to be close to the management..." (TM advisor, BB)*

Thus, the management group believes that TM can be related to the performance culture, which may take time for people to accept and receive positively. People understand that moving to critical or leadership positions is based on subjectivity (*wasta*), as is well-known in Middle Eastern culture; hence they may view TM as being based on preference. Therefore, some people might not accept the TM system. Furthermore, the TM advisor also indicates that one of the internal challenges that might happen in the future to an effective TM is employee expectations:

*"...Sometime the staff who are part of (the) development center, they want to progress to (the) next level very fast. But (the) next level may not be available; a position can be available for someone either when the existing position holder is promoted higher or retires or leaves... Sometimes the person who feels that, in four years, he should take up (a) leadership role, but he does not... move up, he may become frustrated, then he will look for other options..."*

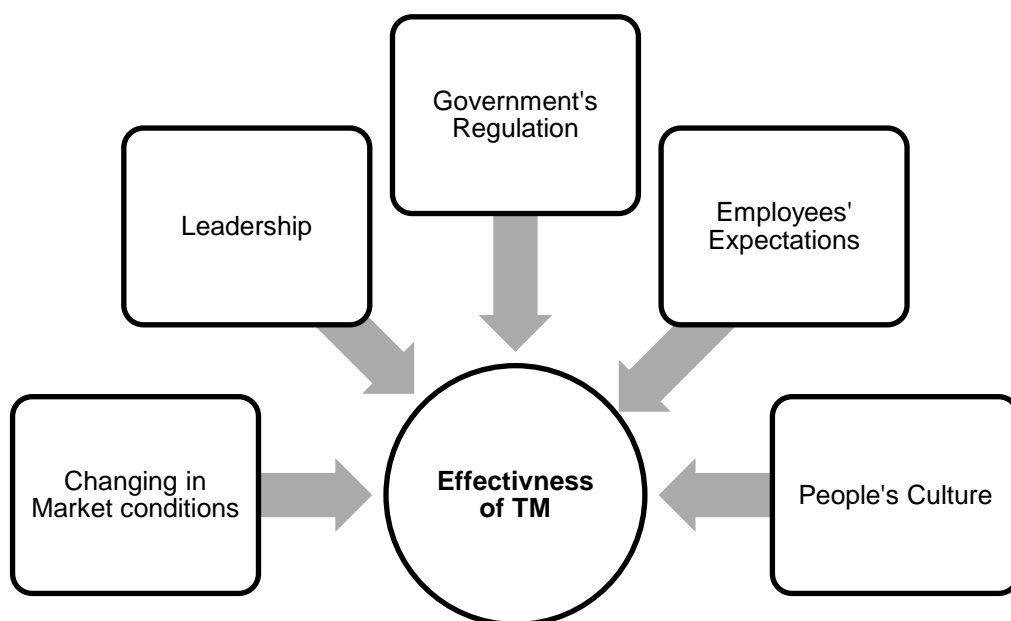
The above example suggests that this type of expectation among those who are considered talented might have a negative impact on TM because, once the organisation does not meet their expectations, they can leave the organisation if they have better opportunities with other competitors.

Interviews with managers in BB indicate that the organisation has not yet experienced any major obstacles to the effectiveness of the TM system; this may be because the TM system is new to the organisation and has been implemented

initially at the top level where the concern is not with potential but with closing the competences gap in the top management who will remain in their positions. However, the interview data imply that the real challenges to the effectiveness of TM may come from the other employees in terms of their acceptance of the changes which rely on assessment and performance in the TM system, or from managing the expectations of talented employees who are in the gold and silver layers. Nevertheless, the participants believe that the organisation might manage these internal challenges by ensuring clear communication among all employees in the organisation in terms of the TM system, as well as transparency, which will help to reduce any internal conflicts in the future.

Figure 6.4 summarises the main obstacles that may limit the effectiveness of the TM in BB.

**Figure 6. 4: The Obstacles that May Limit the Effectiveness of TM**



## 6.7 Outcome of TM

This section examines the organisational outcomes of the TM as perceived by each of the participants who were involved in this study. The interview data suggest that the organisation uses multiple tools to attract and retain its employees, especially those who are high achievers. The management group feels that the brand of the organisation plays a positive role in attracting talent as it was the first bank to be established in the country and has a good reputation in the banking industry. This can be understood from the quote below:

*“...see the brand of the ...bank and its history...this bank is ancient and strong, 41 years of performance, has graduated a lot of talented people and today you see them, they are leaders and CEOs in organisations and some of them, they have their own businesses and being very successful, ...So, this actually automatically I think attract people okay... the CSR and this is actually what consultant, John, said the role of human resources is not internally but also can play externally and by this way you can attract talent...”*  
(Strategic Director, BB)

It can be inferred from the above example that the participant believes in the importance of CSR in attracting talent through offering many benefits and services to society. For instance, these services include the recruitment and development of young local people. In addition, the manager highlights that the establishment of a centre within the organisation that specialises in developing people might be considered as a further tool for attracting talent. In terms of retaining high performers, the HR manager also indicates that the organisation launched an employee of the month award with a monthly newsletter recognising the star performers and their rewards in the organisation. This is deduced from the example below:



*“We look at in fact workforce engaged and getting their loyalty and talent management is one of the arms, obviously there is at the end of the every year the high performers star are rewarding in the certain way plus every year we have this promotion cycles where by the high perform and high potential staff are given promotions okay! Plus every unit has got their own employee, the employee of the month, newsletters which you generated a lot of feasibility of high performing employees when every month there is newsletter says this person has done fantastic job and so on, all the details are there...” (HR manager, BB)*

The managers believe in the importance of engaging employees; hence, they state that the organisation has introduced employee engagement in order to connect employees to the top management and to encourage discussions on improvement and development, thus giving employees a sense of their importance to the organisation. Moreover, the management group reports that the implementation of the TM system has also played a role in retaining employees, especially since it is related to their career path and progression.

The success of these tools can be measured by the experiences of those employees who are in the TM programmes. The two talented employees indicate that the main reasons for joining this organisation are its brand, its policy of developing local employees and career progression. This is deduced from the story below:

*“One of the best banks in the country, good organisation and plan, in fact trying to push the Omanis... a lot of good training, a lot of management training, a lot of professional training and that was the benefit and that was the thing that make me to stay in this organisation (knocks on the table)” (TE1, BB)*

The quotation above shows that the participant believes the main attraction for employees is development and the promise of career progression. This implies that the TM in the organisation might be as a main tool for developing and retaining the high performers as it is still new to the bank. Although the TM system in the organisation is still new, there has been an initial positive outcome for the organisation and the employees, which is reported by the managers and employees interviewed for this study. According to the Strategic Director, the results of the TM system have had a positive impact on the organisation's

performance in the two years since its implementation. For instance, he states that there are some improvements in terms of profitability and revenue per staff member: *“definitely, the results speak for themselves, the profitability per staff has gone up and the revenue per staff is going up”*. From this quote, it could be inferred that the TM system has initially positive results on improving the productivity of the employees, which has then had a positive impact on the organisation’s performance. Additionally, the Strategic Director anticipates that the TM system will enhance the organisation ethically as it calls for cultural change based on performance and values: *“I think this organisation will be in place as glory to be position in the glory that is our perspective and through this talent management because talent management is something calling for change...”*

The two talented employees in this study express their delight at being selected for the TM system and describe it as “a gift” from the organisation. This can be understood from the following quote:

*“Of course yes, and we are happy because this is a real gift from the organisation to me, it is really a big gift the bank has offered to me”* (TE1, BB)

From the above example, the TM system seems to have a positive impact on the talented employees, as seen through their use of the words *“happy”* and *“gift”*. This expression can be related to the psychology of the employees toward their organisations, as the talented employees believe that the organisation has taken care of them in a very valuable way through TM. Furthermore, this positive expression toward TM may have a positive impact on the employees’ commitment, especially when they recognise that their employer is offering them a lot in terms of development and career progression. The talented employees in this study indicate that attending the TM programmes has also changed their way of performing and managing the work in very positive ways:

*“now the coordination is more important plus the structure of the division, it was really very big department, now it is squeezed into three major departments that and they are working close... Become more and also my brain has been a lit bit sees outside the box because you always see inside, yeh I think we can do better based on the programme, a lot of management keeps giving to us.” (TE1, BB)*

Although all staff members who were interviewed for this study indicate that TM has a positive impact on the organisation in general and on employee commitment in particular, there is still a need to evaluate the success and impact of the TM system, especially as TM is new to the organisation. Therefore, a further study with a large number of employees at different managerial levels would be needed to evaluate and assess the impact of TM.

## **6.8 Summary**

From this case-study a number of themes emerged, shedding more light on the meaning of talent and TM. Firstly, consistent with the previous case [BA], it is shown that the meaning of talent and TM is driven by institutional pressures. However, the meaning of talent and TM in this organisation is related to the design of the TM approach. This means that the TM in the organisation aims to include everyone from the top to the lower management divided into three different layers: top, middle and lower.

Secondly, these divisions have produced different meanings of talent. For instance, the notion of talent in the top level is concerned with strengthening the knowledge of the employee while he/she remains at the same level. Therefore, this definition is reflected in the approach to managing this layer as the data showed that the inclusive approach is implemented. Meanwhile, at the middle and lower levels the meaning of talent is defined as “Omani High Potential” which suggests that the exclusive approach is used in these two layers. The identification of talent in these different layers is achieved using the competencies framework.

Accordingly, these different layers in the TM system suggest that the organisation is implementing “Differentiated TM architecture” in managing and developing

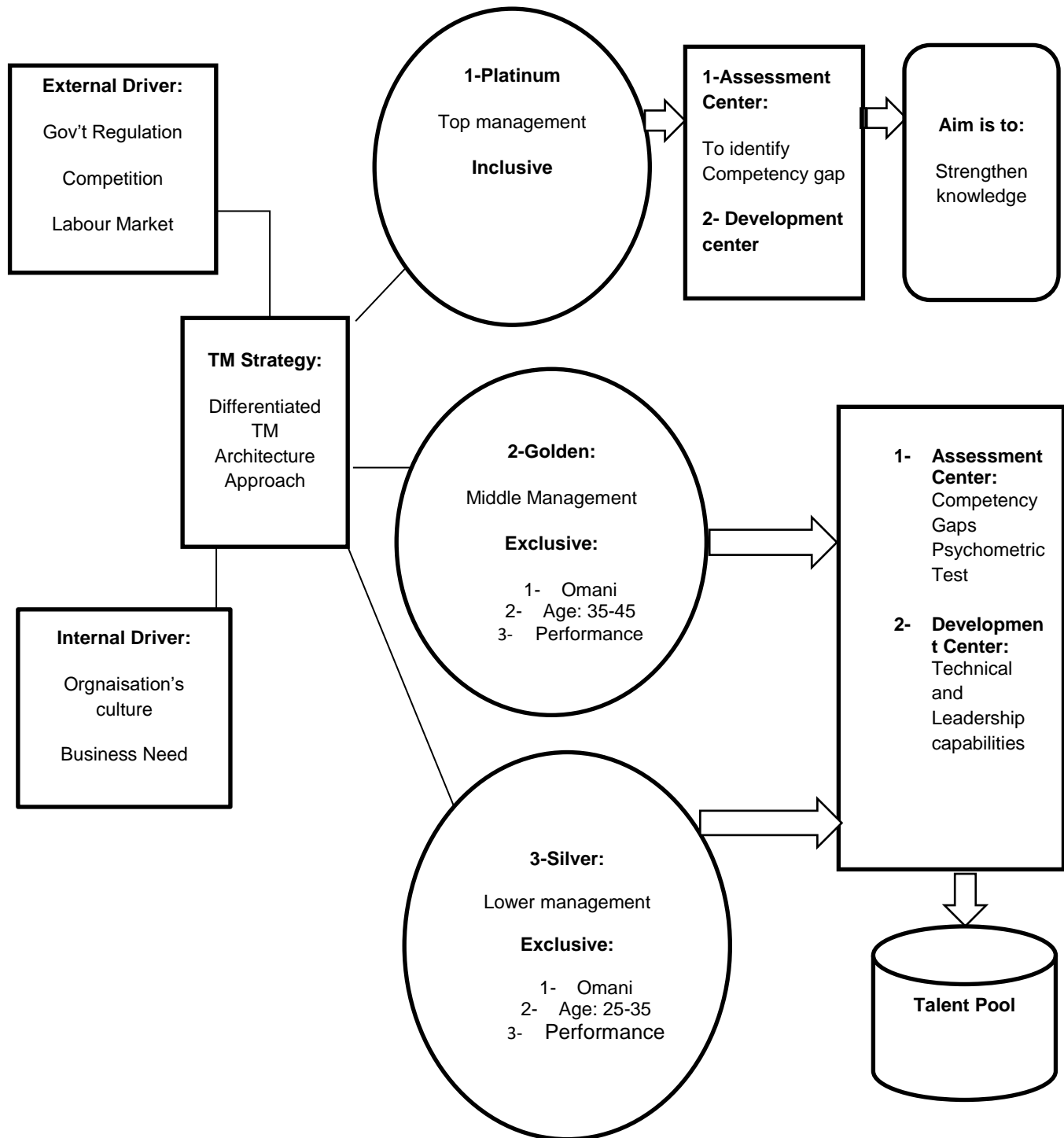
talent. This means that external institutional pressures have an influence on the management of talent in this organisation as highlighted by the participants who took part in this study. Therefore, the interview data within this organisation show that there is a slight difference between the previous organisation [BA] and this one in terms of managing and approaching the talent. This may refer to the influence of external environment factors when combined with internal drivers shaping the organisation's TM system. This suggests that the internal factors are formed and shaped by the external pressures (e.g. Organisation policy, labour market) which are represented in the organisation's succession plan and business needs, which translate into how the organisation might manage its talent.

Another theme that emerged from this case-study is the involvement of the constituents. As with the previous case, the managers believe in the importance of including the top management in the TM system in order to persuade the other people to accept the TM system. The data indicate that the line manager has more influence on the TM system by identifying, assessing and designing it according to the employees' needs. Interestingly, the participants feel that TM can be seen as "*culture change*" in terms of performance. This may suggest that the organisation is aiming to change the people's culture in terms of the assessment which is based on performance. This means that the assessment and development of the employee will be based on the performance ranking which will then enable the employee to move to the upper levels.

Lastly, the initial outcome of the TM system for this organisation has been seen as positive as it was implemented last two years, in contrast with the previous case where the outcome of the TM system has been known for a long time.

The process of the TM system in BB is summarised in Figure 6.5.

**Figure 6.5: The TM in BB**



## Chapter 7: Case-Study Three (PA: Petroleum Sector)

### 7.0 Introduction

This chapter presents findings on the understanding of talent and TM, and the operation of the TM system within one of the oil production companies operating in Oman, [PA]. [PA] is a joint venture between the Omani government and an international partner (Chinese) with 500 employees. The research participants were drawn from Oman. They included the Strategic Director, one HR manager, two TM advisors, four line managers, three fresh graduates who are currently in the TM programme and two senior employees who are now heads of sections having been through the TM programme. The participants' demographics are shown in Table7.1.

**Table 7.1: Participants' Demographics (PA)**

<b>CATEGORY</b>	<b>GENDER</b>	<b>AGE</b>	<b>Ethnicity</b>
Strategic Director <b>(SD)</b>	Male	56	Omani
Human Resource Manager <b>(HR)</b>	Male	46	Omani
Talent Management Advisor <b>(TM1)</b>	Male	32	Omani
Talent Management Advisor <b>(TM2)</b>	Male	31	Omani
Line Manager <b>(LM1)</b>	Male	35	Omani
Line Manager <b>(LM2)</b>	Male	36	Omani
Line Manager <b>(LM3)</b>	Male	33	Omani
Line Manager <b>(LM4)</b>	Male	36	Omani
Talented employee <b>(TE1:Fresh graduate)</b>	Male	24	Omani
Talented employee <b>(TE2:Fresh graduate)</b>	Female	25	Omani
Talented employee <b>(TE3:Fresh graduate)</b>	Male	35	Omani
Talented employee <b>(TE4:senior)</b>	Male	24	Omani
Talented employee <b>(TE5:senior)</b>	Male	38	Omani
<b>Total</b>	<b>13</b>		

The participants provided in-depth explanations of their experience with TM in this company. The participants from the management group indicates that talent

in [PA] refers to the “critical skills”; this is due to the external and internal pressures facing the company which play a major role in shaping the TM system in PA. This will be explored further in the coming sections. Section 7.1 examines the meaning of talent and TM in PA. Thereafter, Section 7.2 analyses the main drivers of TM from the management group’s perspective. The TM approach is presented in Section 7.3. Section 7.4 presents the main stakeholders involved in TM from the management’s, line managers’ and talented employees’ perspectives. The selection criteria of the TM system are explored in Section 7.5. Section 7.6 presents the main obstacles that may limit the effectiveness of the TM system in PA. The outcome of TM is examined in Section 7.7. A summary of key findings from the case-study is provided in Section 7.8.

## **7.1 Definition of Talent and TM**

This section presents PA’s definition of talent and talent management and uses the interview data to analyse how TM is understood by each of the participant groups.

### **7.1.1 Talent**

The participants from the management group relate the meaning of talent to the individual’s productivity. This refers to certain capacities and potential that the individual might contribute to the organisation’s performance. This is deduced from the following quotes:

*“Talent as you know, it is different [according to] how you look at it; talent means the high-flyer, somebody who is doing more than expected or the person who is (long pause) because we are trying to link it to the productivity, how the person is productive, how the employees are taking the initiatives, how the person is trying to develop himself” (HR manager, PA)*

*“...well (pause) talent, okay! We define talent as that individual who has the potential and capacity, okay! To progress and accelerate, okay! (pause) To learn the skills and implement... (this) learning into the business...” (Strategic Director, PA)*

In the above quotes, the managers define a talented person as someone capable of giving more than others in terms of productivity. In their understanding, the term “talent” is used to describe certain skills that a person might deploy in order to meet the business’s requirements; hence, the word “potential” refers to the employee’s ability to make progress within an organisation, to take the initiative or to do more than others without much difficulty in the execution of his/her duties. Thus, it appears that the management group associates talent with an individual’s ability, i.e. how quickly one achieves and produces in one’s area of expertise. The TM advisor (1) deliberates more on how to define talent within the context of the organisation through adoption of competency framework; “... *identify people who have potential to meet the certain jobs requirements through identification of competences... and after defining we go for the development...*” The line managers also view talent as the capability of the employee who contributes to the growth of the business through proper management and development: “...*talent is the way of management to increase its productivity, increase the growth of the business you know the capability of the staff...*” (LM3, PA) Both the management and line managers believe that talent can be identified through the individual’s ability to fulfil the business’s needs.

Additionally, the informants (talented employees) relate the term ‘talent’ to the specific competencies that enable the employee to accomplish specific tasks in different areas. This is extracted from the statements below:



*“...talent means the competencies that I have in my job or competencies and skills I have to accomplish the task assigned to me in different jobs and positions. Also, it considers the level of the competencies and skills I have...”*  
(TE2: fresh graduate, PA)

*“... talent as a concept is defining the competences of each discipline and (to) try to fulfill it with a proper training and development through getting learning or on-job training or other, for example, education programme...”*  
(TE1: fresh graduate, PA)

From the above definitions it is observed that ‘talent’ does not necessary mean “high potential” for critical positions, as the informants indicate that the meaning of talent in [PA] refers to “*ability, skills*” that contribute to achieving the organisation’s goal. This may suggest that the staff’s understanding of talent is influenced by the organisation’s business requirements. The participants also highlight that talent in PA is defined and assessed by identifying the competencies possessed by the employees that enable them to meet the job requirements.

The interview data show that, although there are slight differences in the way the word “talent” is interpreted among managers and employees, it appears that they share the same understanding of talent. This implies that this understanding is reflected and influenced by the organisation’s operating environment.

### **7.1.2 Talent Management (TM)**

The TM advisors define TM as follows: “...*defining the competencies and defining job ladder mainly mix the job ladder with competencies, this individual when he needs to move to the next job, we need to define it as talent management*” (TM advisor2, PA). In this respect, the participant conceptualises TM as a process of identifying the required competences for a job. He indicates that the process involves recruiting people with minimum competences and developing and rewarding those identified as having the potential to do the work better than others and who might become future functional heads. Thus, the participants highlight that this process is linked to the competency framework to identify certain competencies in order to enable individuals to move from one level to another, which in this case is called the “*job ladder*”. The HR manager in PA also

indicates that the identification of the competencies required for each job starts from the recruitment stage:

*“...when the person join us, for example in the first year, there are certain competences he needs to achieve... if... he will be assessed at the first because he will be what we call recruiting as (a) certain grade. And if you (are) assessing according to the certain competences, you know, the competences for each job, suppose if we recruit somebody as petroleum engineer, there are certain competences for the first year and then, if he will be assessed, then next year he will be moved to another grade like promotion for him, fine! Then, also, there is a set-up of competences he needs to achieve and also he will be assessed and in the third year and fourth year. So, first year, second year, third and fourth, he will stay two years for this where this is the major because he will move from this scheme to be a development professional, so he is moving from stage through (to a) developing professional, okay...” (HR manager, PA)*

The managers believe that this may help the company to select the right talent to fulfill its business needs and that the individual might then accelerate his/her abilities through proper development. The potential of the individual will be determined by his/her attainment of the required competencies in certain jobs. The informants from the management group highlight that accomplishing required competencies and contributing to the organisation's productivity is called “Talent” in PA. This means that the individual will be assessed through his/her performance against certain competencies. It can be understood from the management group perspective that TM focuses on three main areas: selecting, developing and rewarding those who possess the job's required competencies.

The talented employees view TM as follows:

*“...talent management is upgrading concept of training and development because most of the companies now using talent management other than using training and development, yeh, talent management is the same concept is how to define the gaps of the employees they need to improve their job...” (TE1: fresh graduate, PA).*

*“...as I have been in TM programmes, I can see that talent management is more about development and different training courses which... can enhance our skills and abilities to meet the job’s requirements...” (TE4: senior, PA).*

From their point of view, the talented employees in this study define TM as upgrading the concept of training and development. This might indicate that the employees still link TM to the training and development concept. This understanding of TM from the employees’ perspective may suggest that talent can be defined in terms of certain competencies to meet the job requirements, and that the lack of certain competencies can be remedied through development. Hence, the employees view TM as an updated version of the concept of training and development. This may also suggest that the misunderstanding of TM might have an impact on the effectiveness of the TM system in the organisation.

Although both the management and talented employees relate TM with the competency framework in order to select, develop and reward the right talent, there is still confusion in the employees’ group that TM is about updating the concept of training and development. This may implies that the talented employees do not see any differences in terms of development and rewarding the high achiever; this may refer to the fact that PA does not relate the term ‘talent’ to the critical or leadership positions in defining the ‘right’ talent.

The method of using talent and TM in the organisation is related to the role of internal and external drivers in defining talent and TM in [PA]; this will be explored further in the next section.

## **7.2 Drivers of TM in PA**

This section examines the role of internal and external drivers in shaping TM in the case-study [PA] from the management group’s perspective.

### 7.2.1 Internal Driver: Business Requirements and Organisation's Philosophy

The management group indicates that the implementation of TM is driven by business requirements in the first place. The managers believe that the business requirements lead the organisation to define talent and TM in a way that might meet its business needs. This is shown in the following quote from Strategic Director in [PA]:

*"...mainly the reason that we thought of talent management was because of the business requirement of our blocks, and the past we used to produce oil in the ...way that we had like natural flow of oil...But because the way is ageing you know and to maximise production you need new skills, new technology okay! You need the innovation okay! To maintain the production and to increase the production and then it was necessary to start over not just reacquisition of talent okay! And then we need to develop our own talent also to attract, to develop also our own talent..."*

In this instance, the participant explains how TM within PA is driven by the changing nature of oil exploration and production in the country, which has moved from the primary phase (natural flow of oil) to the secondary phase; this has become a very complex stage in the exploration and production of oil. Therefore, the managers highlight that this stage requires highly-skilled people capable of using the latest technologies in order to explore and produce oil. Hence, it is found that the meaning of talent in [PA] - *"critical skills"* - is influenced by the business requirements. This may suggest that the meaning of talent will change in the organisation should the business requirements change in the future.

The managers within PA also indicate that TM is driven by the organisation's philosophy of developing its own talent and having a sufficient talent pool through proper development programmes that meet its business objectives; *"... but I would say this fact, government policy to encourage us to this talent management may be, I would say, 10% and the remaining is just the philosophy within the company itself to have our own pool of talents"* (TM advisor 1, PA). In addition, one of the informants within the management group states that having TM in the organisation is part of Corporate Social Responsibility (CSR):

*“...It is just the sense of the responsibility of the company management is that to prepare ourselves you see and compete in the market this is one yeh! Two okay, it is part of our social, corporate social responsibility that we invest this on people of Oman...” (Strategic Director, PA).*

From the above quote, it is clear that the Strategic Director (PA) believes that investing in and developing local people is part of the organisation's responsibility to the community. Thus, the participant feels that TM in the organisation can be seen as a helpful tool for CSR. The HR manager also highlights another reason for having TM in place, which is to support the company's succession plan:

*“... if I talk about something called succession planning, we are trying to link talent management to the succession planning because we believe that having our own resources, I mean those who can run the business for the future, will help to face any challenges that might happen in the environment... So, yes, one of the reasons we introduce talent management is because of our succession plan...”*

The managers within PA report that TM is implemented and used as a support tool to achieve the succession plan. Thus, they believe that TM is being linked and built around the succession plan of the organisation, which aims to have a pool of people capable of running the business in the short and long terms.

Throughout the interviews with the managers in PA, it is clear that there are a number of internal factors that are believed to contribute to defining talent and TM in PA and the foremost of these is the business's requirements. Considerably, it is obvious that any change in the organisation's business requirements may change the meaning of talent and TM. This may suggest that talent is a dynamic concept whose meaning may change depending on internal and external factors.

#### **7.2.2 External Factors: Labour Market, Competition and Government Regulation**

The interview data within PA has illustrate that the change in oil exploration in the country, as discussed in section7.2.1, has led to a scarcity of the required skills in the local labour market, which means that the local labour market is not yet ready to supply this type of talent. As a result, the competition for these types of

skills has increased, leading to the “*war of talent*” among the country’s petroleum companies:

*“...the market particularly in oil and gas industry, there is actually I can say a talent war I used the word war...we are moving from traditional way discovery to more sophisticated way in oil companies, I mean the companies are trying their best to attract talents even though it is hard especially in some fields in some areas of discipline like for example in petroleum engineers and in engineering, in geology...”* (HR manager, PA)

From the above quote, it is clear that the managers feel that the institutional pressures, represented by the competition and characteristics of the local labour market, have influenced the way in which TM is defined within the organisation. The management group also criticises the role of the Higher Education institutions in their efforts to provide the right skills for the private sector, especially the oil and gas industry. This is shown from the example below:

*“The education system in Oman, the capacity of the institutions in Oman to provide this talent, is not enough yeah! If you talk in terms of quality of education, okay! And that is why (pause) I am also working in the ICV committee, it is also (a) sub-committee of the HR and one of the main task that we are trying to identify is to establish (the) standard of our 200+ scale to be incorporated in the curriculum of the education system In Oman. Usually, if we recruit somebody from the higher college of technology, we will spend another three years of training... it is not meet the requirement of our oil and gas industry...”* (Strategic Director, PA)

From the above example, it can be understood that the capacity of higher-education institutions in Oman to provide qualified workforces that can meet the requirements of the oil and gas industry is insufficient. Therefore, the participants from the management group indicate that the organisation is working with other petroleum companies to improve the curriculum of the education system in Oman to make it fit the needs of the petroleum sector.

Furthermore, the managers state that government regulations have influenced the organisation to recruit Omani people and to achieve 90% Omanisation in the company. They believe that this influence has led the company to be proactive and to respond to this regulation by utilising TM and trying to recruit fresh local

graduates and include them in the TM programme. This can be understood from the quote below:

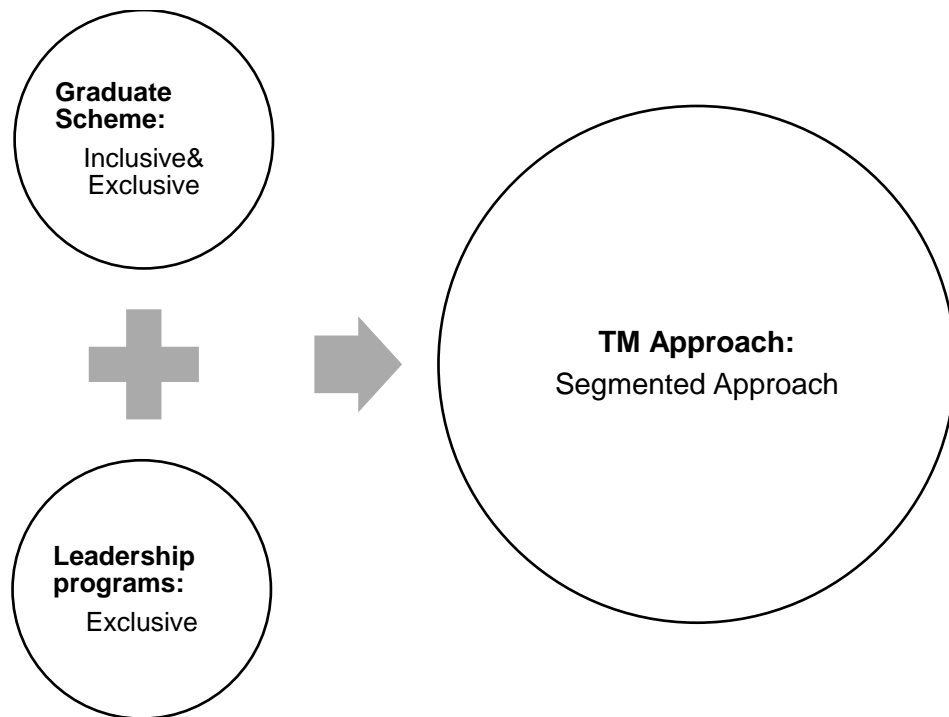
*“...Omanisation is also leading the market because Ministry of Oil and Gas and Ministry of Manpower are trying level best to increase Omanisation percentage in the oil industry and set it as 90%; as you know, 90% is quite high to achieve...”* (HR manager, PA)

From the above quotation, it can be inferred that the petroleum sector faces challenges in achieving the required level of Omanisation; this may be linked to the nature of the business, which has led to a shortage of local talent, as reported by the participants. This may explain why the participants define “*talent*” as “critical skills” in PA as they believe that the company needs to respond to these different pressures. Therefore, the managers appear to feel that both internal and external factors have had an influence on how the TM system in PA has been shaped. Accordingly, the company has found that there is a need to develop and retain its own talent and create “a sufficient talent pool” in order to be able to manage these pressures, which will be discussed in depth in the next section.

### **7.3 TM Approach**

As the data in the previous section (7.2) indicated the role of internal and external pressures in introducing TM system in [PA], this section examines the role of these pressures in shaping the TM approach. The management group highlights the fact that the company introduced a TM system formally at the end of 2012 and this was designed to include two different segments. The managers state that the first segment within TM aims to attract and recruit a highly talented workforce from the labour market to run the current business. The second segment aims to attract and recruit fresh local graduates and to develop them within four to five years to help to create a “talent acquisition or talent pool”, which the managers believe will also help to meet government regulations. This is summarised in Figure 7.1.

**Figure 7.1: TM Approach in PA**



A figure 7.1 indicates that the TM approach in PA is divided into two different segments. The first segment aims to target all fresh graduates (inclusive) who have been recruited to the company; it is called the “Graduate Scheme”. The management group highlights the fact that this programme is designed to last for four years, enabling the employee to accelerate his/her knowledge acquisition and to learn new skills in order to achieve certain competences. However, the managers indicate that those who achieve above 3 will have more mentoring incentives than those who achieve below 3. The managers also state that, after spending a year in the programme, all the graduates will be assessed based on their performances against specific competences. The participants mention that the second stage will adopt the exclusive approach by selecting those who produce outstanding performances to move to the next level. The managers go on to say that, after successfully completing four years of the programme, the employee might move on to professional development, which at this stage is the managerial level.

The TM advisor (1) indicates that the purpose of introducing the fresh-graduate scheme in the TM system is to develop young Omani people:



*“...the idea to develop the people, Omani people, to have very competent people, it is very difficult because we have difficulty at the market getting people. So, the idea of talent management came here said how the best approach we can develop and accelerate, it is not only developing the normal development of people but accelerating the development...”*

From this above quote, it can be seen that external pressures have an influence on companies in terms of how talent is managed and developed. For instance, the participant (TM advisor 1, PA) reports that the lack of skilled graduates in the local market has led the company to introduce this programme in order to produce a sufficient number of competent employees in the future. It is also obvious from the above example that this programme is aimed only at fresh Omani graduates. This suggests the impact of the government regulations on the company's TM system.

The second segment of the TM system targets employees at senior levels and is called “*Leadership programmes*”. The managers explain that there are two different programmes: emerging leaders and experienced leaders. The emerging leaders programme aims to develop people to become section heads or team leaders, while the experienced leader programme is designed for those who are managers and above. In the second segment, the exclusive approach is adopted, in that the candidates are selected based on their performance (over the last three years), and they must be in managerial positions. This can be seen from the following example:

*“...We have two leadership programmes every year which target two groups of people, we have emerging leaders and we have experienced leaders; emerging leaders programme aims at these people whom we are planning to move to, for example, section head or team lead and this is experienced leaders for managers and above...we have criteria of course, the first thing is the performance, he should for the last three years be in performance management, at least three years in the company, grade at the certain grade okay!..., this one at least he is a manager position or senior professional or team lead okay! And performance, the past performance and number of years...”* (HR manager, PA)

In the above quote, the participant indicates that the company has two different programmes for its senior staff and this may be linked to the objective of having this kind of programme, which is to meet current business requirements; meanwhile, the graduate scheme is designed for the longer term by creating a pool of talent. In addition, the interviews with managers indicate that there are different approaches to managing talent in the two different segments. In the first segment (graduate scheme), the participants highlight that the approach aims to include every fresh graduate in the company for development for an entire year, while in the second year exclusivity is adopted. The approach in the second segment aims at exclusivity based on specific criteria such as performance, experience and potential. The combination of inclusive and exclusive approaches may illustrate the company's belief in giving a fair opportunity to all employees (inclusive), while at the same time utilising the best resources in order to achieve the business objective (exclusive).

However, the TM advisor (1) indicates that management and development of talent in PA is aimed at a certain level. He states that the talented employees or those with high potential cannot accede to critical or leadership positions. This is because this type of organisation is a “*Joint Venture*”, as highlighted by the TM advisor (1), in which the critical or leadership positions have already been agreed and identified between the two parties (the Omani government and the international partner):

*“critical positions sometimes the content of this organisation, the agreement is joint venture, if you know, between the Chinese part and Omani part, and there is company called PVI China; they are as partner here in Oman and they already classify the high-level jobs like CEOs and department managers; some positions are already classified as critical positions from their understanding to be handled by them” (TM advisor1, PA)*

This reason can be added to the explanation of the definition of talent in PA, as critical skills rather than high potential determine those who occupy critical positions. The managers in this study feel that the TM has been shaped around the external and internal factors that lead to the creation of two different segments that meet the current and long-term objectives. Additionally, the management within PA indicates that the inclusivity and exclusivity of the TM approach is

influenced by external and internal pressures. For instance, the interview data illustrate that the inclusive approach is adopted in the graduate scheme in order to develop the young Omani people (government regulation) and to give them a fair opportunity; meanwhile, in the second stage, exclusivity is implemented to utilise the best resources that might meet the organisation's needs. In the second segment (leadership programmes), the exclusive approach is adopted based on experience and performance. The data also suggest that the nature of the organisation (Joint-Venture) has another influence in terms of defining, managing and developing talented people, which may have a negative impact on the retention of talent in the future; this will be explored in Section 7.6.

### **7.3.1 How is Talent Managed and Developed?**

This subsection presents the line managers' and talented employees' perspectives in terms of how the company might further improve its management and development of talent. The line managers believe that the best way of managing and developing talented employees is to devise a clear development plan, specifying the courses that help to meet both the individual's and organisation's needs. This may suggest the importance of identifying the competencies for each position in order to manage the TM system more effectively. This is deduced from the example below:

*“...defining the competencies for each position - that is something we must have because that is entry level to develop the overall talent management concept in [PA] and then we need to have a strong... what do we call this? Coordination between the different sections within the HR like talent management should not work isolated, you know they just, they should not just work for mirror that have in place the only existing staff they need to communicate to recruitment team guys this the list of the competencies required for in position that is you know get recruited in [PA], so, the recruitment team should as well play role to ensure that only talented employees are, you know, attracted to [PA] and once they have recruitment complete, the talent management as well team needs to identify the right from the day one what are the development needs for the individual, then again that needs to be passed to the performance management section as well as one day they do the performance management within the [PA] we should have the competencies part of their or overall companies you know appraisal system it is not only the objective, the objective plus the competency plus the awareness I think it is something I think needs to be well spread with the organisation” (LM3, PA)*

From the above example, the participants believe that defining the competencies for each position from an early stage helps to develop the overall TM system in the company through a proper coordination among different parties in the organisation, such as recruitment, TM and performance management teams. This may suggest the importance of the role of line managers in identifying and assessing the competencies that meet the organisation's requirements. Additionally, the staff members who were involved in this study highlight the importance of having coaches and a learner, which they believe is good practice for developing and improving the talented employees' skills as well as solving the limitations in the critical positions in the company.

The talented employees in both segments (fresh graduates and senior employees) believe in the importance of delegation, which they feel will enhance the employee's development, thus impacting on his performance:

*“delegation, because once I get delegation I realised that it is big responsibility once I have realised that I have big responsibility I will work hard, does other have a big expectations for me I have to deliver certain standards, certain time, so should I make an effort to reach that standard and maybe go beyond that standard. So, delegation is one of the best ways to develop the person because you put a big responsibility on that person and he feels this someone stress at the same time he learns fast, he learns a lot of things he did not know before here will be able to reach new position very fast” (TE3: fresh graduate, PA)*

*“... there are, I think, many ways that we need after having development courses because the organisation (is)... limited in moving to upper level because it is (a) small organisation... I think we need to be given more delegation that will help in having challenging tasks and responsibilities and will know through this how to manage and achieve the objective... So I think, yes, the organisation should consider this!” (TE4: senior, PA).*

From the above examples, it seems that the talented employees believe that delegation can be one of the effective ways of managing and developing the employees. The talented employees believe that delegation will help to achieve the task efficiently as well as moving it to the next level. Meanwhile, another informant suggests that, in order to manage the talent effectively, the development plan should be clear in terms of the development opportunities necessary to meet the required competencies for the current and next levels; *“... but their development plan, the organisation development plan, it is not clear, it is not even giving us a good picture about where to go. Like when you go to (a) house, you need to know where the living room, bedroom and the kitchen (is), but now we do not have (this). The kitchen is at the same time... the bedroom and everything is just mixed-up (laughs) (TE1: fresh graduate, PA).* This explains that the current development plan in the organisation is “*not clear*”, as described by the talented employee. Indeed, this also has been highlighted by other talented employees who emphasis on the importance of having a clear development plan; *“... having clear guidelines or clear structure... what I mean here, for example, in time, about the time when we start, when will be finish(ed), what about the goal and objectives, is it (achievable)... or not, the evaluation (of) the programme. Also the system itself, it is not clear yet...” (TE2: fresh graduate, PA).*

From the above discussions, it is obvious that the current TM system in PA is still in its early stages, and it requires further improvements and development in terms of a clear development plan and a well-developed structure. Therefore, both the line managers and the talented employees suggest a number of ways of managing and developing talented employees in PA. For instance, in order to manage and develop talent, the participants believe that there is a need for a clear development plan that identifies the required competences for each position, thus helping to select the right talent and assign it to the right

development opportunities. This means that there is a need to customise the training and development courses for the employees in order to meet the required competencies. Both the line managers and the talented employees in this study feel that delegation and coaching are the preferable ways of developing the talent in the organisation and also helping to solve the problem of the limitation of critical positions in the company.

In the next section, the involvement of different stakeholders and their influences on the TM system will be discussed.

#### **7.4 Main Constituents in TM**

The management group indicates that the whole process of TM involves different managerial levels from the top down. The interviews with managers in PA show that the role of top management in the TM process is to support and approve the whole process of the TM system. The participants believe that, without the support of top management, the implementation of TM will not take place. This can be observed from the example below:

*“...talent management system involves different class of functions ....within the HR and outside the HR okay! ...So, the development of the talent management is not something restricted to a very high level because it really touches on the people’s needs as well ...The support should be from the top in one aspect because the moment that they are buying the culture it can be coming from top to down okay! The amount of influence that they can influence in terms of the processes or in terms of the individuals it pays essentially for but also the feedback from the bottom to the top it is also essential because it is circle, there is no starting point and ending point for which you are getting the feedback from the different ends. So, each person is playing their own role from the policy perspective, from the strategy perspective it is top management okay! From very operational...” (TM advisor 2, PA)*

In the above example, the participant states that the design of the TM system in PA does not belong to one managerial level, as in HR, but has a top-down involvement. For instance, the TM advisor (2) emphasises the importance of top management support because he feels that top management has an influence

on people's acceptance of the new culture, which in this case is talent management. The TM advisor (2) also believes in the importance of feedback from the bottom upwards that helps to enhance the process. Interviews with management in PA indicate that there are four main groups in the TM process. These include the HR team, which is responsible for developing and maintaining the TM policy (policy perspective), while the top management acts as a supporter and influencer in the TM process (strategy perspective).

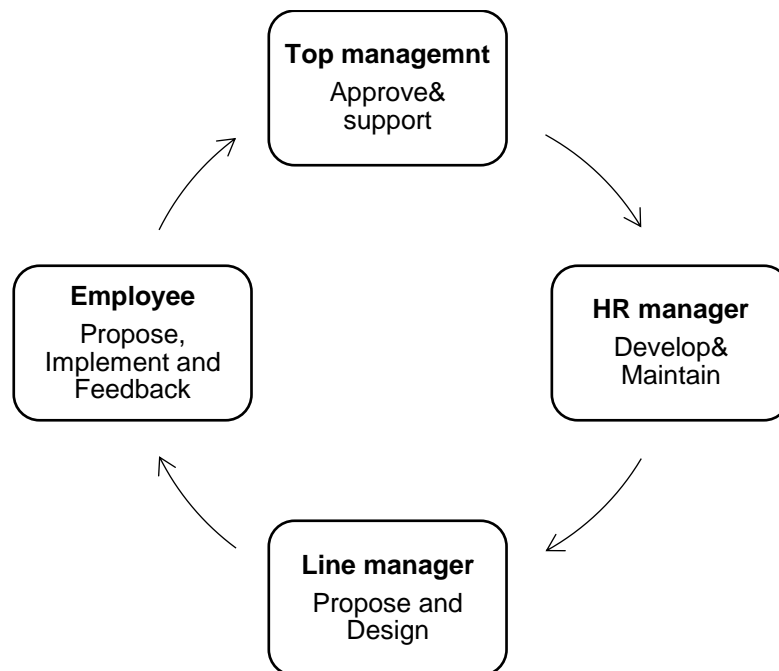
Additionally, the managers highlight the fact that the line managers or team leaders play an important role in the TM system by identifying the needs of employees through certain competences. The interviews with management show that the line managers are the main contributors to the design of the TM system. While, the managers indicate that the employees have two main roles in this process. The first is to propose their own development through the individual development plan (IDP) and discussions with line managers. The second is to give their feedback on the TM system, which means that the employees have also an influence on the whole process of TM in the organisation. This might suggest that the whole implementation of TM goes to the end users who are, in this case, the employees themselves.

Furthermore, the management group indicates that the involvement of different groups from the top down in the TM system may produce different views on how to handle TM in the organisation, which they believe may sometimes lead to conflict. For instance, the HR manager illustrates that the line managers sometimes have different views on moving employees from one level to another, which sometimes conflicts with the organisation's policy. However, the managers in this study feel that the company is very professional in how it manages this kind of conflict. For example, the Strategic Director mentions that there are always open discussions among different stakeholders in terms of TM, such as brainstorming and evaluating the advantages and disadvantages of this kind of system. The managers also feel that managing the conflicts of interest might contribute to the efficiency of the TM system.

The interviews with management show that the process of the TM system involves different parties in the organisation. The different kinds of involvement of different actors in the organisation are described by the management group as a "*circle*", which means that there is no start or end point; they feel that everyone

might influence and provide feedback on the TM system, a process which it is believed will also help to manage any future conflict, as shown in Figure 7.2.

**Figure 7.2: The Role of Different Constituents in TM**



### **7.5 Selection Criteria for the TM in PA**

The data in section 7.3 showed that the TM strategy is designed to include two different segments: fresh-graduate scheme and leadership development programmes. This may suggest that the company is following a segmented approach in managing and developing talent. This section examines the selection criteria for each segment in the TM system.

The management group indicates that the main selection criterion for the fresh-graduate scheme is age: *“Yes we consider age... Approximately for talent management between 25 until 35 okay! This is the ideal age, so, this is our favourite range between 25 and 35...”* (Strategic Director, PA). This may indicate that the organisation’s perspective is to invest in young people as future assets



for the organisation as well as to have a sufficient talent pool. Therefore the managers report that the company favours the 25-35 age group and includes everyone recruited to the company.

This may also suggest that the aim of the organisation is to develop a competent young workforce, especially considering the challenges to the country's oil industry, which lacks the critical skills required to meet the business demands. In addition, the HR manager justifies the targeting of fresh graduates for the TM programme by stating that TM is for the new generation: *"Yes definitely, talent management is mainly for (the) new generation... because these are the future of the company and these we are concentrating (on) a lot. I mean, if you look at it, for example, our training budget, most of our investments is (into) those segments to those people, I mean the fresh graduates we spend a lot of money"*. The participants feel that TM has become a tool to attract and manage the expectations of the new generation who are more concerned with development and career paths than with financial factors.

The management group highlights that after the employee has completed one year of this programme, he/she will be assessed based on performance before moving on to the second stage. This is illustrated below:

*"... when the person join(s) us, for example, in the first year, there are certain competences he needs to achieve... if he... will be assessed at the first because he will be what we call recruiting...(at a) certain grade, usually first graduate, and also we are trying to give some monetary incentive for people who are GPA above 3. So that he will be differentiated from people who are below 3 because, you know, our line between 2.5 and above and if you (are) assessing according to the certain competences, you know, the competences for each job, suppose if we recruit somebody as (a) petroleum engineer, there are certain competences for the first year and then, if he will be assessed based on his performance, and this will determine if he will go for the next level or not, if he has a good performance in the first year. Then, next year, he will be move(d) to another grade like promotion for him, fine! Then also there is a set-up of competences he needs to achieve and also he will be assessed and in the third year and fourth year. So first year, second year, third and fourth, he will stay two years for this where this is the major because he will move from this scheme to be as development professional. So he is moving from stage(s) through developing professional and these movements depend on his performance ranking! (HR manager, PA)*

The management within this particular organisation [PA] indicates that the exclusive approach is adopted to determine who will proceed to the second level.

It can be understood that the managers prefer to adopt performance ranking as a selection criterion because they believe that this is an important factor in determining who the talented people are. Additionally, the participants from the management group indicate that this segment (fresh-graduate scheme) is designed for young Omanis as a result of the government regulation discussed in the previous section (7.2). It is clear from the interviews with managers that there are three main selection criteria for the first segment (fresh-graduate scheme): age, performance and nationality (Omani). This appears to indicate the influence of external pressures on how TM should be operationalised within the organisation. Also, it suggests that the organisation translated this coercive pressure by choosing the best strategy that could fit into its context by the adoption of exclusivity at some stages.

However, the managers indicate that the criteria for the second segment in the TM system, which is the leadership-development programme, differ from those for the first segment. This may be due to the organisation's strategy as part of its succession plan in building its own capabilities and preparing them to be in leadership roles in the future. Interviews with the managers show that the performance and the level of experience are the main criteria for selecting individuals for the leadership-development programmes. This can be understood from the examples below:

*“...the experience of that individual, so that individual include, for example, that I want to develop leaders here, I will set the criteria as a talent specialist, the criteria, the first criterion is position should be grade X, Y, Z; that grade requires certain years of experience, qualifications...” (TM advisor1, PA)*

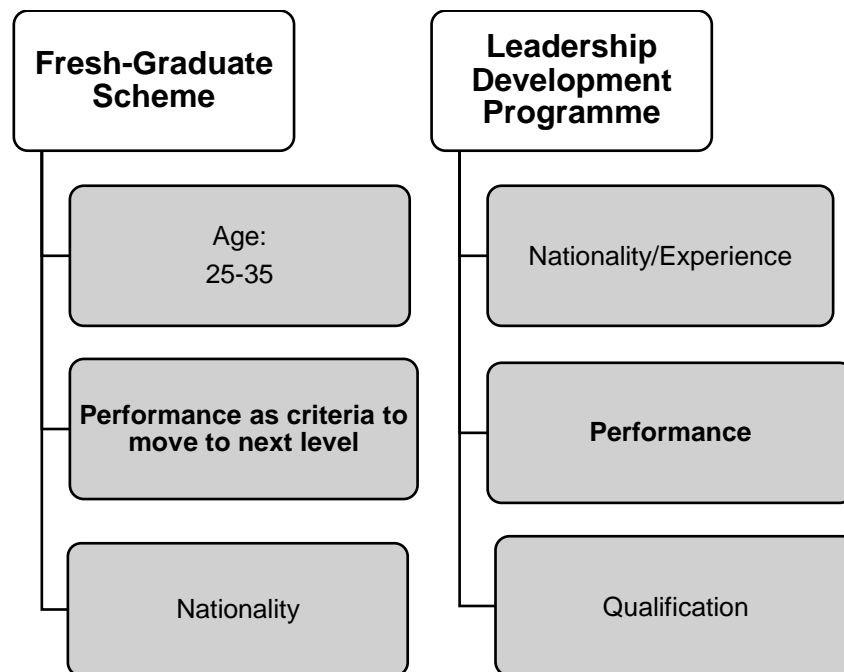
*“We have two leadership programmes every year, which is targeted (on) two groups of people. We have emerging leaders and we have experienced leaders. Emerging leaders aim to these people who are, we are planning them to move them to, for example, section head or team lead and this (means that we should use) experienced leaders for managers... the first thing is the performance, he should for the last three years' performance management (have) at least three years in the company...” (HR manager, PA)*

From the above examples, it seems that the level of experience and performance play important roles in identifying the right person for the TM programme, in

particular leadership development. This may indicate that the exclusive approach is adopted in this segment. Interestingly, the data show that this segment targets experienced people regardless of their nationalities, which suggests that the company needs this group of people also to satisfy the current business need.

It can be observed that the selection criteria differ from one segment to the other, such as age and the level of experience, in the TM system in PA. However, the main determinant of whether people are selected for the next level is performance, which is applied for both segments (fresh-graduate and leadership development programmes, as shown in Figure 7.3.) Notably, it is obvious that there are no potential criteria for the TM programmes in PA, which may explain the influence of the Joint-Venture organisation in defining talent and TM. Therefore, it is also clear that the selection process in TM in PA (petroleum sector) is different from that of the banking sector, as it is found that in the two previous cases (please see chapters 5 & 6) the selection process is divided into different stages: assessment and development centres. This may suggest that the institutional pressures in banking differ from those in petroleum, thus leading the sectors to develop their own criteria for selecting and managing talent. However, there are common criteria among the three case organisations (BA, BB and PA) in terms of nationality, age and performance, which suggest that the organisations are attempting to duplicate the most successful practice of TM system that fits into the Omani context.

**Figure 7.3: The Selection Criteria for Fresh-graduates Scheme and Leadership Development Programmes in TM**



## 7.6 Obstacles that Limit Effectiveness of TM

This section discusses the obstacles that may limit the effectiveness of the TM in PA from the management group's, line managers' and employees' perspectives. The management group indicates that there are now no major challenges that might negatively affect TM effectiveness. However, the Strategic Director of PA reports that there was a notion to implement a TM system in 2003 but it failed because of the organisation's top management that did not support this kind of system. The Strategic Director within PA feels that those senior managers feared that local people would take their positions since TM is linked to career paths and progression and became an obstacle to the senior managers' chances of remaining in higher positions. This is shown from the example below:

*“We do not have this obstacle so far because the management, the senior management of [PA] now support okay! But I would say if you talk to me about 2003, 2004, no, they did not support, it was very difficult, so the success of the talent management depends on the support of the top management okay!, if you have people who do not have confidence in themselves, then they just want to protect their positions, it won’t be successful” (Strategic Director, PA)*

In the above example, the participant states how the previous senior management did not support the development of local talented people because they might have wanted to dominate in the higher positions. This might indicate that the influence on whether the TM system is successful is the support of the top management. This could explain that the top management could be acting either as a driver or as a hindrance for TM implementation and thereby influencing its effectiveness. The Strategic Director also highlights that the top management should not be scared of losing their positions and should be confident about developing and nurturing local talent. This was also raised by the TM advisor (1) in the company who states that:

*“... some difficulties (that) could affect... talent management is the mindset of some people who believe that their positions are for them only... like, you know, they feel that this is their own house... this really cannot be changed within a short time, this might take time to be changed... So, yes, this, I think, (is) one of the main challenge(s) that affects (the) talent-management system...”*

The quotes above allude to the Middle East’s entitlement culture in which people remain in top positions for a long time until they retire, denying opportunities to younger people. This is due to the fact that selection criteria in the Middle East are based on subjectivity. Such an entitlement culture could be suggested as a major obstacle to TM development in the Omani organisations’ context.

Furthermore, the HR manager highlights that the scarcity of critical skills in the local market that are necessary to meet the current business demand may negatively impact the effectiveness of the TM in the company. For instance, increased competition among petroleum companies for these types of talents may lead the companies to poach talents from other competitors by offering higher positions, for example. The managers believe that this may affect the

talent pool of a particular company. Furthermore, they highlight that their company is a joint-venture business, which means that the critical positions are secured by the partners who are not included in the TM system. Thus, the managers feel that this may have a negative impact on the TM system because the talented people will be offered higher positions by competitors.

Additionally, the HR manager indicates that *“people’s culture which was centralised on receiving things more than they give to the company or society”* in general may impact the TM system negatively. For instance, the HR manager links TM to the Return on Investment (ROI) that the company allocates to development, education and training in order to build a productive workforce that contributes to the company’s growth. This means that people need to understand that whatever the company gives them in terms of development they must return in terms of productivity. This can be understood from the quote below:

*“Return on investment on training, this is one of (the) themes HR needs to address and other things (such as) the economy growth. As you know, the oil price is very good and attractive but people look at it differently if you have talent(ed) people... and I got that message from one employee saying ‘if I am not moving now and getting better opportunities and the economy now is good, when can I get (a move)?’ So they are trying to move from one job to another job to enhance their packages, trying to fish here and there, this is one of (the) main thing(s) which is facing the HR. And also, if you talk about the competency base, we introduced those competences for example (and) now when we come to apply it, okay! Sometimes people hesitated to be assessed and tell them you have (a) weakness here, they are neglecting to (do) that and how the people can accept that, I mean, okay, I want to develop you but I want you to do (so) in (a) certain methodology. It is not (on an) ad hoc basis, you have to go certain levels...”* (HR manager, PA)

From the above example, the participant also indicates another challenge that faces the TM system in the company which is people’s reluctance to be assessed and discuss their weaknesses. For example, the HR manager indicates that the TM system is based on certain competencies that are used to assess individuals in order to develop them. However, one participant believes that one of the challenges the company faces is resistance from people in accepting this new methodology in the assessment; this is also linked to the culture of people who do not like to hear bad news:

*“... exactly, yes, this is the main obstacle that people’s perception and culture that, as I said before, it is not (a) very old topic that (has) been discussed even in the overall... market. So this type of transition required, this is (a) very expected barrier for people, resisting to change and this staff and for you to take them from this, I mean, area to another area from this perception to another. So this has been expected and also we are working on that”. (TM advisor 2, PA)*

The above example highlights one of the cultural characteristics of the Middle East region, which is that Middle Eastern people do not like to be criticised. This challenge is congruent with other studies in the Middle East region that found that Middle Eastern people do not like to be criticized or hear bad news (Budhwar and Mellahi 2006). Thus, the managers believe that this kind of culture might have a negative impact on TM effectiveness within the organisation.

From the line managers’ perspective, the data illustrate that the talented employees always look for challenging tasks and further development opportunities by moving from level to level. However, as this organisation is categorised as a small-medium joint-venture business, the line managers indicate that talented employees face limitations in finding different challenges and tasks or in moving to other levels. This can be understood from the example below:

*“well unless we do not have room okay for development, room for talented employees to further goal of the organization that becomes like a challenge for you as those people, sometimes their intention is not really captured, I mean not really, their intention mainly required a development, what is next for me, they are hungry to, you know, hold bigger responsibilities and, you know, bigger positions... That is what makes it a little bit tough for you and how you retain them” (LM3, PA)*

It is clear that from the above example that the line manager is facing difficulties in managing the talented employees’ requirements in terms of development and career progression in the company. Therefore, this might be classified as one of the main challenges facing the company in terms of retaining its talented employees, which then has a negative impact on the TM effectiveness. For instance, the talented employees indicate that the company has introduced a ‘good development’ approach, which in this case is TM, by providing different

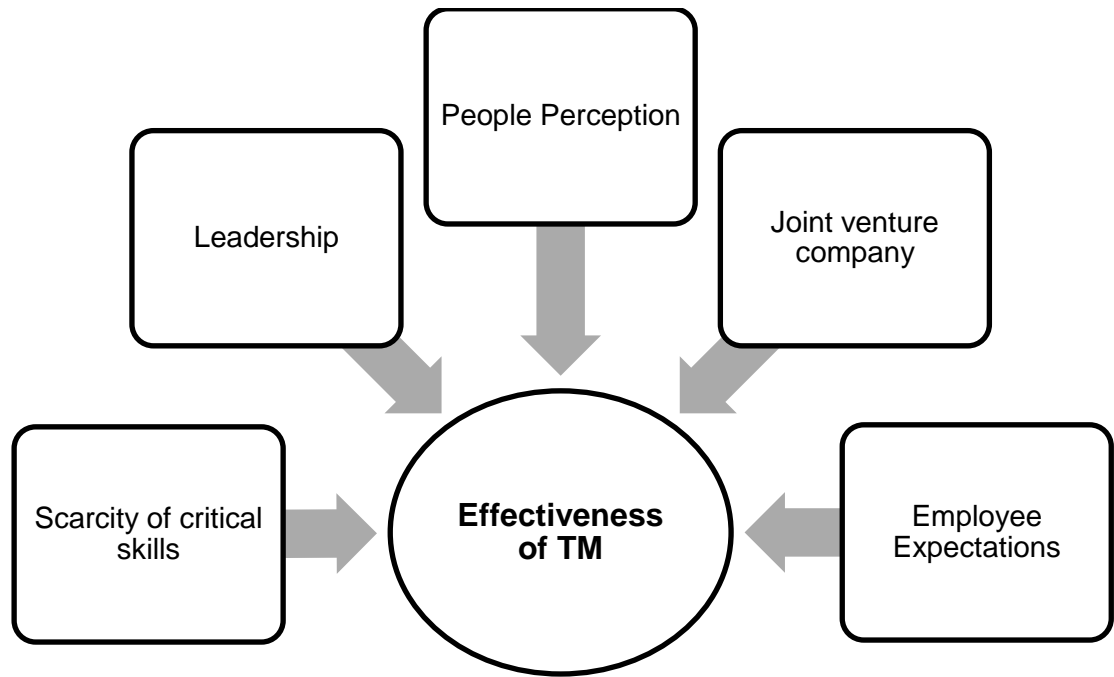
development opportunities, but this only meets a short-term need as there are no further development opportunities for the long term. This may demotivate the talented employees, which may lead to turnover: “...*there is short term and long term, for short term they have but for the long term no because there is no further development; I mean there is no movement to the next level;, this is, as I told you, a small company; it keeps you in the short term then the motive will decline*” (TE4: senior employee, PA)

Interviews with employees at different levels of the hierarchy in PA highlight that the nature of the company imposes limitations on development opportunities and career progression for talented employees. This may have a negative impact on the effectiveness of the TM system in PA. Interestingly, from the above example, it seems that the talented employees care more about their development and career progression than other factors such as financial ones. This also suggests the importance of understanding and managing the talented employees' expectations. Therefore, the company should consider developing different retention strategies to retain their talented employees, especially in this critical business stage.

It can be understood from the above discussions that there are a number of obstacles that may limit the effectiveness of the TM system in PA; these are summarised in Figure 7.4. The interviews data illustrate that most of these obstacles are related to the nature of the company, people's perceptions and employees' expectations.



**Figure 7.4: The Obstacles that May Limit the Effectiveness of TM in PA**



### **7.7 Outcome of TM**

This section analyses the outcome of the TM for the organisation from the management group's, line managers' and talented employees' perspectives. The interview data indicate that the company designed different attraction and retention tools in order to respond to the above challenges (please see Section 7.6) and to remain competitive in the market. For instance, the management group indicates that the company introduced a new retention scheme called "*Walaa*" in Omani, which means "*loyalty*" in English. This is deduced from the example below:

*“...we have introduced the retention scheme called Walaa (loyalty) a three-year retention scheme, so, that we will try to retain our employees, especially the highly talented, and even in that scheme we are trying to differentiate between skills because sometimes I mean how is that based on, it is based on the skills scarcity in some areas but on other hand like the support function, for example there is no scarcity but there is but not that significant, so, that is why the scheme is designed, the scheme is monetary scheme paying cash for three years, if somebody leave in between the three years he will...although we have introduced this thing we still have some people who are leaving because the other competitors are trying to attract. The other side also beside the retention scheme we have introduced some benefits in terms of medical insurance, we call it health insurance and also education system to our employees' children and that has re-impact, something new that have it into the company” (HR manager, PA)*

From the above example, it is clear that this scheme has also been designed based on the organisation's needs. In other words, the participant (HR manager, PA) states that there is differentiation in terms of retaining employees based on their skills and positions. For instance, he explains that the employees (talent) who are classified as having critical skills receive different monetary incentives from those offered to other employees who provide support functions or those not classified as having critical skills. In addition, the company introduced other benefits such as medical insurance and a family education system. Moreover, the managers believe that including the “graduate scheme” under the TM system is helping to attract the best fresh graduates from the market and to develop them through the systematic approach (TM).

The impact of these tools on the employees can be measured by the employees' perceptions; for instance, the talented employees (graduates) indicate that the main motive for joining this company is the special development opportunities offered by the company to the graduates. This can be understood from the example below:

*“...there is a special care of the employees here in [PA] and what is clear to me after this there is IDP individual development plan and graduate scheme and other training programmes that deliver to the employees in order to develop them in the future... from the talent management it may be that change will happen in the future that stop our journey here maybe will look at other organisations” (TE2, fresh-graduate, PA)*

It is clear from the above example that the new generation is attracted by the development opportunities and career path, and this may explain why some organisations have implemented fresh-graduate schemes under the TM system, as is the case in the two previous organisations (please see chapters 5&6). Interestingly, one participant (Fresh-graduate 2) attributes his commitment to the organisation to the TM system, which may indicate that TM has a positive impact on employee commitment.

The Strategic Director indicates that although the TM was only implemented in 2013, there have already been some positive impacts, especially on employee behaviour: *"...I can tell you from the behaviour of the individual okay... we have very good record of attendance okay, punctuality okay! And then they drive the process of sales, they do not wait to be told, you go and learn this and do this, no, they became proactive in the process"*. This may be a good indication that the TM system is also having a positive impact on the employees' behaviour; this behaviour may ultimately impact on employee commitment. In addition, the line managers illustrate that the TM system is linked to the Individual Development Plan (IDP), which has a powerful impact on the employee, encouraging him/her to identify and evaluate his/her own development. Hence, the line managers believe this may have an influence on the individual's productivity.

However, the data show that the employees' expectations may have a negative effect on employee commitment, especially if those expectations are not met: *"...it depends on the expectations maybe, if the expectations won't show up..."* (TE2: fresh-graduate, PA) This may explain the importance of managing the employees' expectations from the beginning by making the objectives of the TM system clear to the employees. Furthermore, one of the talented employees, who has been in the TM programmes and now works as head of section, indicates that the impact of the TM system on him may only be short-term due to the fact that the nature of the organisation has limited his development and career progression. This is deduced from the following story:

*“ ...there is short term and long term, for short term they have, but for the long term no, because there is no further development; I mean there is no movement to the next level, this is as I told you it is small company, it keeps you until you will get your short-term then the motive will decline...I mean the problem is that the company, you know, the company is very small like we do not have other branches or we do not have, I mean it is not like international company so you can move them, always there is demand for talented employees, they can be moved and they can be given more targets and more goals and more challenges; the problem with this company because it is very small and there is not that much challenge, we try our best to give challenge but for me as talented employee there is no challenge you know especially in the accounting department not much challenge because the accounts are very basic, not that much challenging... because I have reached section head and there are no other positions, only to the finance manager, so the finance manager also think about himself, you know (laugh), this is problem” (TE4, senior employee, PA)*

From the above story it is clear that the results of TM may be temporary in the organisation. This is due to the nature of the organisation which is classified as small joint-venture firm that limits development opportunities for critical positions, as reported by the participants. This may also explain the characteristics of talented employees and their motivation to stay in an organisation that has clear development and career progressions, which will help to increase the level of employee commitment. Thus, the participants believe that the organisation has to design TM to suit its size and its type of business, such as creating challenging tasks within the development programmes.

From the interview data, it is clear that the company has introduced various tools to attract and retain employees, especially those who have the critical skills required to run the current business. The managers in PA believe that the TM system is a tool for attracting employees, especially fresh graduates who care more about their development and career progression. The data show that there are some initial positive outcomes of the TM system, such as the employee behaviour. In addition, employees in the fresh-graduate scheme expressed their happiness at being in this development programme; however, they link their commitment to the organisation to the realisation of their expectations. Meanwhile, senior employees note the short-term impact of the TM system on their commitment, which they attributed to the nature of the organisation and its size. This implies that the organisation may face serious challenges in the future in terms of retaining talented employees, unless it changes its nature or expands.

This may be linked to the characteristics of the talented employees who are always looking for more development and career progression.

## 7.8 Summary

From the perspective of the oil and gas industry, this case has presented a number of themes. Firstly, the meaning of talent in PA is driven by the local environmental factor, which in this case is the nature of oil exploration and production in the country; this has moved from the primary to the secondary stage, requiring people with critical skills who are able to use the latest technologies in oil exploration. This change has led to increased competition among the petroleum companies for this kind of skill. However, there is a scarcity in the labour market which has led to a “war for talent” in the country, with pressure from the government to employ Omani people. This has led the managers to define talent as “*critical skills*”, which means that the definition of talent may change according to the business requirements.

Additionally, the meaning of talent and TM has been shaped based on the nature of the organisation, which in this case is “*Joint-Venture*”. This means that the critical positions are not included in the TM system, leading to the TM system being designed at certain levels.

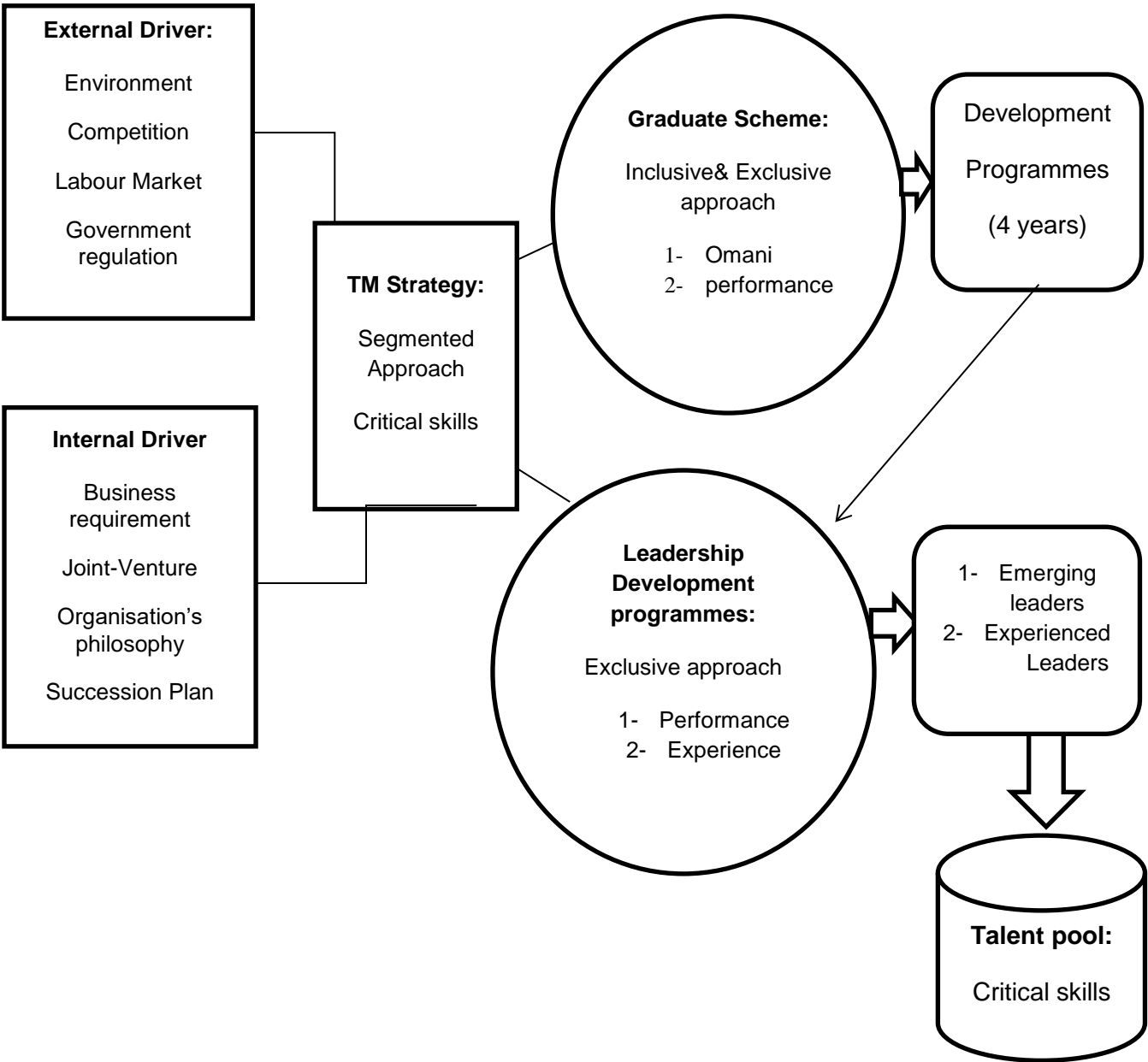
Secondly, the meaning of talent is influencing the approach to managing and developing talent in the organisation. Hence, a segmented approach is adopted by developing two different segments: a fresh-graduate scheme and leadership development programmes with different selection criteria, as discussed in section 7.5.

Thirdly, the organisation’s identification of the right talent starts from the recruitment stage by identifying the required competencies for a particular job. This may suggest that the organisation is adopting the competency framework to identify the required skills for the business. Fourthly, with an emphasis on the use of IDP, the employee is required to propose to the line manager his/her own development opportunities which should meet the business requirements. This means that there are different involvements in TM among different constituents in the company.

Fifthly, despite the efforts that have been made by the company in terms of developing and retaining talented employees through different financial mechanisms which have led to initial positive outcomes of TM on the company and employees, there is still a major obstacle that may negatively impact on the effectiveness of the TM system in PA. This is the “Joint-Venture” nature of the organisation, which means that TM in PA does not include the “critical positions”, which have been secured by the partners. Hence, this will have a negative impact on managing and retaining the employee’s expectations in the long term. Therefore, it is important for the organisation to find another mechanism that might manage and develop its own talent.

Finally, the process of the TM system in PA is presented in Figure 7.5.

Figure 7.5: The TM in PA



## Chapter 8: Case-Study Four (PB: Petroleum sector)

### 8.0 Introduction

This chapter presents a case-study of the TM in PB, a national petroleum company in Oman with 7,000 employees. Nine in-depth interviews were conducted. Five participants represented the management of the TM (Strategic Director, HR manager, Head of TM unit and TM advisors), two participants were talent-managed employees (who have been in the TM programmes), and two interviewees represented the line managers, as shown in Table 8.1. The interviews were conducted between June and July 2014.

**Table 8.1: Participants' Demographics (PB)**

<b>CATEGORY</b>	<b>GENDER</b>	<b>AGE</b>	<b>Ethnicity</b>
Strategic Director <b>(SD)</b>	Female	46	Omani
Human Resources Manager <b>(HR)</b>	Male	44	Omani
Talent Management Manager <b>(TMM)</b>	Male	45	Omani
Talent Management Advisor <b>(TM1)</b>	Female	30	Omani
Talent Management Advisor <b>(TM2)</b>	Female	43	Expatriate
Line Manager <b>(LM1)</b>	Male	44	Omani
Line Manager <b>(LM2)</b>	Female	55	Omani
Talented Employee <b>(TE1)</b>	Male	36	Omani
Talented Employee <b>(TE2)</b>	Male	46	Omani
<b>Total</b>	<b>9</b>		

The HR manager notes that [PB] is one of the largest oil production companies in the country and its vision is to be renowned and respected for the excellence of its personnel and the value it creates for the country as well as the stakeholders. Therefore, the managers who were involved in this study indicate that the organisation plays an important role in educating and developing Omani talent through comprehensive education and development programmes; they believe that the sustainable development of the country is enhanced through proper education and development. For instance, one of the development



programmes offered since 2000 is the talent management system (TM). The initial focus of TM was on very “High-Potential” employees; however, due to the current external and internal pressures on the organisation, this exclusive approach to managing and developing talent (high potential) has been expanded to include everyone, offering all personnel different development opportunities. This will be explored in more depth in the following sections.

Section 8.1 examines how the company defines talent and TM. Section 8.2 discusses the drivers of the TM. The assumptions in selecting a specific approach to managing and developing talent are examined in Section 8.3. Section 8.4 outlines the main constituents and their influences on the TM system. The main criteria in the TM systems are presented in Section 8.5. Section 8.6 analyses the main obstacles that might limit the effectiveness of a TM. The outcome of the TM is discussed in Section 8.7. Lastly, a summary of key findings is presented in Section 8.8.

## **8.1 Definition of Talent and TM**

This section discusses the meaning of talent and TM in PB. An explanation of the definition of the term ‘talent’ is presented first, followed by the definition of the concept of TM.

### **8.1.1 Talent**

The management group indicates that the definition of talent in PB has shifted from a narrow to a broader definition due to the change in the business environment. The Strategic Director illustrates that the narrow definition in the organisation used to encompass those considered very “*High Potential*”, while the current (broad) definition aims to include everyone in the organisation under the TM system. This is shown in the example below:

*“...the old definition of talent I think industry wide and in [PB] was only those who are going up but in, in [PB] now we are actually changing that definition and actually saying everyone in the company is talent, how do you develop them, how you move them, how you progress them and so on, depends on how far they get...top talent they need to be high achievers” (Strategic Director, PB)*

From the above quote, the participant highlights that the previous definition of talent in the company was meant to describe those who had the potential to hold critical positions. The Strategic Director explains that the company targeted one group of people (high potential) for inclusion in the TM system through a proper development scheme in order that they might become future leaders. In addition, it is indicated in the above example that the way of defining talent as “high potential” which was related to the industry context, which suggests the influence of external pressures on the definition of talent. However, the managers who took part in this study show that the definition of talent has changed recently to include everyone in the organisation under the umbrella of the TM system. The new definition of talent suggests that every employee has talent, albeit with different development opportunities. This means that the meaning of talent varies from one level to another, which suggests a “segmented approach”; this can be understood from the above example which indicates that there is also top talent, referring to “*high achievers*”.

Furthermore, the HR manager in PB highlights that talent is now defined inclusively as a result of external and internal pressures on the company, which have forced it to change its way of defining talent:

*“... the talent management has been go(ing) through different phases in the development of [PB]... you know [PB] as a lead company in Oman, so there were not a lot of competitors around. So the company, what (it) did in the early days, it used only to focus on those who can be a top talent; however, later on... a number of competitors came and change of the portfolio from moving from the primary oil to the second oil, we see enhance(d) oil recovery that will change... PB’s portfolio... the company has changed the definition of talent to be more inclusive with different types of talent...”*

This will be explored in more detail in section 8.2. It seems that the meaning of talent in the organisation is influenced by the business context. Moreover, the line

managers in PB illustrate that the current definition of talent applied by the company refers to those with very high potential. This means that the company uses the exclusive definition by focusing on this group of people in terms of providing development opportunities while the others receive ordinary training courses. This can be understood from the example below:

*“...there are changes I mean the definitions of talent, at the moment at the right now currently we define talent in [PB] we say the talent group, the elite top group where we are looking at potential will people start very, very high potential that at any point they can run this company, so at the moment this is [PB] what is talent about in [PB], so it is high level because every (pause) we have a way of assessing these potentials in [PB], we use this, sort of terminology CAR, we say CAR we look at somebody’s capacity, achievement and relationship and then they are categorised and we put staff based on these categories...later on, we applied CEP to identify those who have high potentials...” (LM1, PB)*

The above example indicates that the current definition of talent is applied to those who have *“potential for high levels in the organisation”*. The participant gives an example of one of these techniques applied by the company, which is called “CAR”, which stands for Capacity, Achievement and Relationship, in order to define who has *“talent”* or in this case *“High potential”*. Although the line manager in the above example mentions about the changes in the definition of talent within the organisation, mentioned by the management group as being more inclusive, the data show that there is still an exclusive view of those who have a high potential to be considered as top talent. This is also supported by another line manager:

*“... currently [PB] defines talent that is driven by something called, we use something to differentiate employees at the certain levels and we assess... the potential of our staff and employees in [PB] and we use something called CEP, Current Estimated Potential, to see what is the potential of the staff. So... this potential has different levels and those levels, who have higher levels, we treated them as talent... the first definition for us (is) the talent management or the talent, only (a) certain group of people, but recently become a broader definition of the talent is not only for the certain group but we would like to extend it to (a) broader range of employees and it might... touch all of the employees when it comes to develop the talent framework...” (LM2, PB).*

From the talented employees’ perspective, talent is defined as something that is good for the company, which might contribute to the organisation’s performance. This can be understood from the following example:

*“...we need to identify the talent that we think is good for the industry and company, so, who has the right talent for this company that really for example [PB] or the oil and gas industry will benefit from it and that is where the challenge come in because it does not mean that people in the talent programme they have talents or other ones they do not have talents, that is wrong, everyone has a talent, everyone has uniqueness, everyone has strength but to me that the talent is really if we talk about it within it should serve within the context, so within [PB] context...” (TE2, PB)*

From the above quotation, it seems that the definition of talent from the employee’s perspective is related to the organisation’s need and what is good for the business. It is apparent that the meaning of talent should serve the business context and may in this case refer to the critical skills that the organisation currently needs to run the business. This might explain how the definition of talent should also focus on the nature of the business. This is also raised by another talented employee who states that:

*“... to me, talent is everybody... there is absolutely everybody talented, it is just that there are certain capabilities and there is certain needs in the organisation and the job of the talent management is really to marry between the needs of the organisation and the capabilities of your staff through the system. As a result, you will have people, you know, that are, what you are providing them more on the kind of mechanical side...” (TE1, PB)*

It is clear from the above discussions that the definition of talent is moving from the exclusive to the inclusive, which means that the company has focused on one type of talent, i.e. “*High potential*”, by providing special treatment in terms of development and opportunities to move from one level to another, while other people receive ordinary training courses. However, the participants indicate that the company is working towards an inclusive definition of talent by targeting everyone in the TM system but at different levels of development. This means that the meaning of talent in the organisation is still applied to those who have a very high potential, known in the organisation as “*top talent*” in order to meet the organisational context. This may suggest that the new definition of talent in PB distinguishes different levels of talent (segmented) through different development opportunities. Additionally, interviews with managers and employees in PB in regard to talent definition show how the participants understand and define talent from their experiences and job positions. However, both the managers and employees share a similar view that the word “talent” should be used to refer to those who have high potential, which seems to be reflected and influenced by the organisation’s operating environment.

#### **8.1.2 Talent Management (TM)**

The TM advisor#2 in PB defined TM as follows:

*“...talent management is life cycle you know of attracting the right people, developing them and retaining them, there is still in that piece where we are actually managing our top talent, yeh, yeh, so talent management big broad definition you attract, you develop, you retain you know our own people and there is still also top talent which you have to manage as well, so I could have large number of staff but only maybe handful of 15 people who may be top talent and the why mean by depending on the maturity of the organisation”*

From the above quote, the participant understands TM as a way of attracting, developing and retaining the right people. From her point view (TM advisor 2), TM starts with a broad view towards recruiting people who meet the organisation’s requirements; however, this process would appear to be segmented for development and retention among different levels of employees.

The management group also indicates that the way of managing, developing and retaining top talent (high potential) is different from that employed in dealing with other levels of talent in the TM system in the company. This can be understood from the example below:

*“... we recognised that we have different segments of talent and we recognised... (that) each of these segments need to be treated differently... so everyone is entitled for short-term training and so that is something that happens in a year and year-to-year basis, then we have something that is link exclusive for the top talent... this is like our, you know, like our elite, our cream, I can say (laughs). We, they, required special treatment... (TM advisor 1, PB*

Therefore, the way of defining talent in an organisation influences how the organisation manages and develops its own people. The Strategic Director of PB illustrates that the movement from a narrow to a broad definition led to a change in the way of conceptualising the TM concept in the organisation:

*“In [PB], when you talk about the talent management in the new way that we are looking at it, in the past it used to be (pause) a very narrow definition of (pause), you know, who goes to what training and it was very, very narrow. Now, today, we talk about talent management being the whole employee’s experience from the day he steps into the company after he or she is recruited all the way until he or she retires. So, for us, it is the whole life cycle is what employees see of the company and that actually includes joining process, the joining development process, the actual managing of moves. So whether they (are) actually promotions or later moves, so all these parts of talent management, part of the development is assessing one potential... and with process comes the follow process of the competency development frameworks where, actually, you say this is what the job needs, this is where we say this guy has kind of this potential and in order to give him or her every opportunity to get there...”*

It can be understood from the above quote that the old concept of TM was focused only on the development of high-potential employees, while the current TM aims to include the employee’s entire work experience, from recruitment to retirement, with a greater emphasis on development by assessing employees through the competency-development framework. The managers believe that the competency framework helps to identify competency gaps as well as initiate the potential and leadership assessments. This has led to the inclusion of everyone

in the TM but with different levels of development. The managers also highlight the fact that the new concept of TM includes staff engagement which, from their points of view, is considered an important part of TM for further improvement and effectiveness. However, the management group believes that the most important part of the concept of TM concerns how to retain those with high potential as they are likely to be targeted by competitors. Hence, it is clear that although TM has become an inclusive concept in PB, it still emphasises the top talent who are believed to have very high potential with the ability to run the business in the future.

Furthermore, the talented employees in the organisation define TM as a system capable of identifying the right talent for the business and then providing them with the right development to nurture their talents and help them find a clear career path: *“....as a system that looks at the whole process from identification to developing the talents and helping them realize you know their potential at the right time of their career”* (TE2, PB)

It can be understood that the concept of TM in the organisation encompasses the employees' life cycle from recruitment until retirement with a greater emphasis on development and retention at different levels of talent management. These different levels of talent are assessed by the competency framework which enables the organisation to identify who is among the top talent. The interview data with managers and employees in PB shows how the organisation's context and its external environment seem to influence the way the managers and employees define and understand TM.

From the above discussions, it is apparent that the change in the definition of talent and TM can be related to the influence of external and internal factors on the organisation. This will be examined in the following section.

## **8.2 Drivers of TM in PB**

This section analyses the role of internal and external drivers in shaping TM in PB from the management group's perspectives.

### 8.2.1 Internal Driver: Business Needs, Culture and Succession Plan

The management group indicates that the changes in the definition of talent and the way of managing and developing talent in PB are the result of internal drivers. For instance, the HR manager in PB illustrates that, in order to meet the requirements of the business, there is a need to develop and retain different types of talent in the organisation. This is deduced from the quote below:

*“...there is change of the portfolio from moving from the primary oil to the second oil we see enhance oil recovery that will change the [PB’s] portfolio, it will need another type of leader, it will need another type of competencies, it will need another talents in terms of talent management, it will then start getting a lot of graduates and we have increased our number of graduates, so that is okay, now let’s make very clear talent management framework...”*  
(HR manager, PB)

In the above quote, the HR manager states that the new definition of talent and TM in PB is driven by the changing nature of oil exploration and production in the country, which requires a new type of leader and new skills to meet this new stage requirement. Hence, the participants indicate that the organisation recognises the importance of having different types of talent to meet the business’s needs. This may explain the introduction of a new definition in the organisation. This implies also that the meaning of talent and TM within PB may change according to the change in business requirements.

Furthermore, the managers highlight the fact that the implementation of the broad definition of talent is driven by the organisation’s culture:

*“TM does not only take care of top talent but it also takes care of technicians who are way, way below because those are scarce resources in the whole industry and spend a lot of time and money to attract them in to the company to train them, so by definition is talent, so I think it is more appropriate to consider everyone talent because we actually are doing something to develop them and retain them and so on and then within that definition then you actually have the top talent or the professional who are in the mid-range of management and then the technical guys who would be the engine of the company...”* (Strategic Director, PB)



This places people at the heart of the organisation, and by the need to create fairness in terms of development opportunities. Thus, the Strategic Director within PB believes that, in order to achieve the goal of the organisation, it is important to develop those critical assets in the organisation through a sophisticated system, in this case TM.

The managers interviewed for this study indicate that the new version of TM in PB also supports the succession plan of the organisation. The managers believe that TM helps to identify the type of capabilities and quantities required for current and future business. For instance, the participant (Strategic Director) highlights that the new TM includes a fresh-graduate programme that helps to ensure that the organisation has a sufficient number of people in the pipeline at the age of 30 who will be able to run the organisation in the future:

*“...we do look very specifically at young talent when we develop on the talent development our graduates and we maintaining whole you know step changing in the number of graduate intake from less than 100 to now you know 400 a year, so at the any point and the next few years we are going to have in access to 1,400 graduates in the system because it takes years to development...”*

In the above quote, the participant reports that the introduction of the fresh-graduate scheme under the TM system was a way of supporting the succession plan of the organisation. This could also explain how the succession plan of the organisation is influenced by the external environment.

From the above discussions with the managers in PB, it is apparent that there are a number of the organisation's context factors that have forced the organisation to assign a new meaning to talent and to TM in PB. This may indicate the role of these factors in establishing different meanings of talent across industries and sectors.

### 8.2.2 External Factors: Competition, Government Regulation, Trade Union, Labour Market and Culture Entitlement

The management group reports that, due to the increase in the number of companies in the petroleum sector since 2005 and the fact that [PB] is classified as one of the largest oil companies in the country, the company's new competitors are attempting to poach PB employees. As a result, the attrition rate of talented people in PB has increased. Hence, the participants mention that the company has realised the importance of having a broad definition of talent and TM in the organisation. This can be understood from the story below:

*"...[PB] as a lead company in Oman, so there were not a lot of competitors around, so the company what it did in the early days, it used only to focus on those who can be a top talent, who can be leaders for the organisation and they developed them and the other people, the other employees and staff they go through normal development, there is not much focus on the talent management that you need to look after the whole employees because there was no competitors... TM was focused on top 100 staff, they start focusing on those top 100 on their development because they can see they are the future management. Then, after that they move to something called top 500, so they are widening, so when they came to the top 100, they find other impact, so, they can note who are not in the top 100 and he is good engineer, high performance, he asked questions so that means there is no future for me in this organisation, so I have to leave. Then, in the end of (pause) the late of 2007 and 2008, before few years earlier then new competitors came to the market like OXY, like Daleel, so people start leaving [PB], getting new chance, getting leading jobs in these organisations, we have seen high attrition rate, so, [PB] came with concept which is called Employee Value Proposition where is not only the talent management..." (HR manager, PB)*

In the above statement, the HR manager highlights a number of issues that have contributed to shaping the new meaning of talent and TM in the organisation; one of the main issues is that many new competitors in the petroleum sector are attempting to attract competent and talented people from PB, which used to dominate the petroleum sector, leading to a high attrition rate of almost 7% year by year. Thus, the participant believes that the competition side had an influence in changing the shape of the TM system in the company. Apart from the competition, the HR manager states that employees who did not part in TM viewed the past criteria (selection of 100 engineers) as inequitable and unfair, which had a negative impact on the organisation's image. Therefore, the management group reports that the organisation recognises the importance of

the employee-value proposition in order to attract and retain its talent through considering different levels of talent ranging from technicians to supportive functions such as administrative jobs; they believe that this might help to sustain the organisation's position in the market.

Additionally, the management group indicates that there is influence from the government regulations and trade union. In terms of the government regulations, the managers report that the Omanisation policy requires the organisation to ensure that 90% of its personnel at different managerial levels are Omani:

*"... the government putting the pressure on us you need... Omanis, you need... Omanis, you need... Omanis, we sometimes having, we can flex some kind of muscles and the position to tell them that we are intending to reach the Omanisation target rate. But this is where I have to go about doing it, we need to be able, we need to be sure that whoever put in the Omani there has capability. But in some cases, what happened, you know, they hold my hand that we have to put in (an) Omani there and that person has to learn on the job, you know, so that person either succeeded but could it succeed, it better had been given more room to grow and to develop, so that is the pressure from the government, the Omanisation putting us in position where... are we going to be forced to put person there and the person is not ready?" (TM advisor 2, PB)*

The management group believes that, in order to respond to this requirement, there is a need to extend the definition of talent by including everyone at different levels of development. The managers also show that the recent establishment of a trade union in the country has played a role in shaping the TM system in PB. For instance, the HR manager illustrates that, in order to maintain a good relationship with the trade union, there was a need to change the method of managing talent because the trade union always asks the company to justify why other groups of employees are not in the talent management system and how the organisation might create fairness in terms of development among all employees: *"...the unions because the unions currently reform in Oman, so, there is a pressure from the unions in some areas of talent management...the unions are saying why you only focus on certain people..."* Thus, the participants believe that there is a need to reshape the TM system by including everyone, albeit at different levels of development; this would help to meet the legal requirements and ensure business continuity. Interviews with managers in PB show the role of

government regulations and the trade union in shaping the TM system in the organisation. The management group also highlights the fact that the local labour market plays another role in the organisation's decision to reshape TM and move from exclusive to inclusive segmented levels of talent:

*“... the skills are very scarce, we cannot find them, or all the skills are (in) such high demand that we have to identify... the local labour market does not provide the oil sector (with) the required skills and talents for this stage and this also cause(s) high competition among the oil companies... So we have to change something in our strategy in attracting this particular talent, so that could be an external factor that think of and because then it is identified as (a) critical position...” (TM advisor 1. PB)*

The participants report that the change in the methods of oil exploration and production in the country requires highly talented people capable of using the latest technologies and they feel that these people are not yet available in the local labour market. Thus, the participants justify why the company (PB) decided to create another level of talent that needed to be developed in order to meet current business requirements. Furthermore, the management group indicates that one of the drivers that re-shaped the TM within the organisation is the entitlement culture. The Strategic Director demonstrates that the events in the Middle East in 2011 (called the Arab Spring), where *“people want more than they do, give more and give more in terms of asking for more money and positions with less effort and output”* (Strategic Director, PB) have influenced the shape of the TM framework. For instance, people used to have more training, development and promotion; they believe that this is their right and that they should not be subject to any criteria. Thus, the managers in this study indicate that this is an influence on how an organisation recruits, by selecting the best candidate for the available position. This is because existing personnel may not accept the notion of being assessed in order to gain promotion to the upper levels. This is also raised by another participant from the management group who states that:

*“... people always think that they deserve the position whether... they (are) qualified or not... Just, you know, they think that the experience that they have in the organisation is the main determiner for holding a position. So I think it is important to communicate with all employees and explain to them that everyone is under talent management but there are different levels...”*  
(TM advisor 2, PB)

Therefore, it can be understood from the above quotes that one of the other factors that has influenced the TM framework is the country's culture. Accordingly, the participants believe that it is important to address this kind of culture and to make it clear to people through the inclusion of all employees under the TM system. In this way, people will understand how TM should work within the organisation, which might also contribute to minimising the level of conflict among employees.

It is understood that influences from inside and outside the organisation led PB to change and reshape the TM system to enable it to meet the internal and external requirements. Therefore, the managers in this study believe that managing and developing employees, using the concept of TM with different development levels, will help to create fairness among employees and produce a sufficient pool of competent and talented personnel at different managerial levels.

### **8.3 TM Approach**

The previous section (8.2) discussed the role of the external and internal drivers in shaping the TM system in the organisation; this section presents the approach adopted by the company in order to meet the internal and external pressures. Figure 8.1 summarises the three different segments that manage and develop people under the TM system. This may suggest that the organisation has segmented its approach to managing and developing talent as either inclusive or exclusive.

**Figure 8.1: TM Approach in PB**

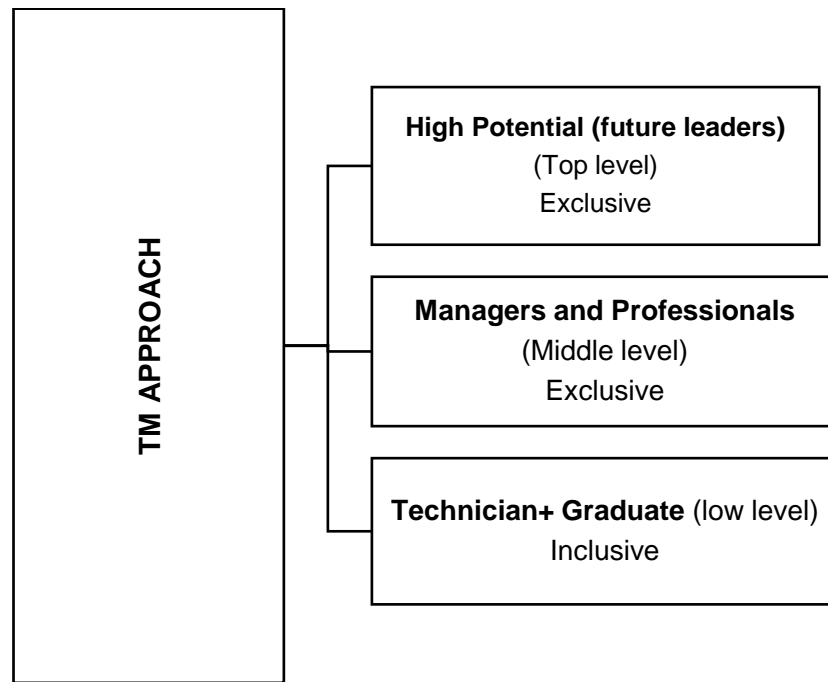


Figure 8.1 summarises three different levels in the TM system in PB: technicians & graduates, managers, and professionals and leaders (high potential). The interview data show that the TM system in PB has been divided into three different segments; this can be described as a “segmented approach” to managing and developing all the employees in the company. This may also explain how the different influences (please see section 8.2) on the organisation plays a role in defining and shaping the TM system. The TM advisor (2) indicates that the organisation considers everyone in the organisation as “talent”; however, as a person moves from one level to another in the TM, exclusivity will be adopted through certain criteria. This is deduced from the quote below:

*“We do segment our talent in [PB], we have several bands in [PB] where we segment and differentiate the top, the top level, middle level and lower level... it is a little bit more inclusive definition and it is broader definition to include all members of staff considered as talent but we only have certain however that talent you know for you know ensure we got business continuity, ensure that we have healthy talent pipeline, we got the right capable individuals you know how to succeed in leadership positions, we segmented the talent...”* (TM advisors2, PB)

In the above quote, the participant indicates that the organisation follows a segmented approach that fits the current inclusive definition, targeting everyone in the organisation as a result of external and internal pressures. Additionally, the TM advisor (2) highlights that the current TM system has different levels that include different abilities and skills required by the organisation. The participant also states that the inclusive approach is applied at the lower level as the person or new graduate needs to have the minimum skills and competences required for the job. To move from the lower level to another in the TM system, the managers indicate that a person must fulfil certain criteria which will be explored in more depth in Section 8.5. This means that the exclusive approach is adopted at the middle and top levels. Therefore, it can be understood from the above quotations that there is a combination of inclusive and exclusive, albeit with a greater tendency towards the exclusive approach. It can be argued that both banking- and petroleum-sector organisations have followed the same practice in managing and developing talent, which is the combination of inclusive and exclusive approaches.

Furthermore, the management group identifies a number of reasons for following this particular approach to managing and developing talent. The first is to ensure that everyone has a fair opportunity in terms of development and a chance to be included in the TM system, and this may explain the influence of the external pressure such as the trade union (please see section 8.2.2). Second, the managers believe that there is a need to have talented people at different levels due to the changing nature of oil exploration and production in the country. Thus, the organisation needs to develop the technical skills of those people at the lower level to enable them to meet current business requirements. These reasons can be explained by the institutional perspective. However, the managers in this study also believe that, in order to have a healthy talent pipeline and people with the ability to run the business in the future, the exclusive approach should be adopted at the middle and top levels, as shown in Figure 8.1.

Therefore, the management group emphasises the importance of certain methodologies that help the organisation to identify the right talent at each level within PB. For example, the management group illustrates that there is a concept called CAR which stands for Capacity, Achievement and Relationship. This assessment is adopted at the lower level and assesses all the new employees in

the organisation. The progression of the employee at the lower level and his/her advance to another level depends on these three criteria: capacity (ability to think strategically), achievement (ability to deliver the results) and relationship (a good relationship with other people across the organisation). Thus, it is clear that this assessment is inclusive for all employees in the organisation. However, the second method of identifying the potential for the middle and top levels is the Current Estimate Potential (CEP), which suggests that the exclusive approach is adopted at these two levels. The aim at these two levels is to identify those individuals capable of holding critical positions in the organisation. Although there is exclusivity at the middle and top levels, the employee at the lower level still has a chance to reach these two levels, which are suggested as inclusive/developable and unstable, as stated by the managers interviewed for this study.

It can be understood from the above quote that the organisation follows an inclusive process by including everyone under the TM system but at different levels and stages of development, suggesting a segmented approach. The data also suggest that this particular approach is due to institutional influence (inclusive) and the need for a sufficient talent pipeline of people capable of achieving the best results for the organisation. It is obvious how the pressures (coercive and mimetic) work in opposite directions in terms of TM in the four organisations. The interview data indicate that the coercive pressures push the organisations towards having an inclusive approach, while mimetic pressures drive the organisations towards choosing the best practice in order to achieve the best result through the differentiated TM architecture.

### **8.3.1 How is Talent Managed and Developed?**

This subsection discusses the line managers' and talented employees' perspectives on how the company might further improve its management and development of talent. The line managers in PB stressed that the most effective way of managing and developing talent to fulfil employee expectations is to have a clear development plan with constructive feedback. This is deduced from the evidence below:



*“...a robust and strong development plan, a clear development plan for candidate is really a powerful tool, manage the expectations and feedback you need to have a clear feedback and also action because you have talent management tools you plan for the people and if you do not a feedback or action plan, if you do not have those there will be miss-link in your framework...” (LM2, PB)*

In the above example, the participant believes that, in order to manage and develop the talent in the organisation, there is a need for the TM framework with a clear development plan and also for feedback from the assessors (e.g. line manager), which then requires a plan of action. From his experience as line manager, he suggests that the effectiveness of managing and developing talent depends on a clear development plan with constructive feedback. Interestingly, the above example also shows that having a clear development plan for the talented employees may help to manage their expectations. In addition, the data show the importance of having a team specialising in looking after the important assets of the organisation, with a greater emphasis on the support of the top management. For instance, the line manager (1) proposes that in order to manage the talented employees’ expectations, there is a need for managing directors to have regular meetings with top talent to understand their needs and discuss their challenges.

The talented employees believe in the importance of having a strong coaching structure in terms of training and developing the talented people in the organisation. Additionally, the data illustrate that having fair and regular assessments will help to identify the right talent with the right development. This can be understood from the example below:

*“we need to have the plans of the, so the combination of the capabilities of the individual that been assessed on fairly regular bases, the wishes of the individual and the expression you know and then the gaps and how to address them that analyses needs to be done on frequent bases in my mind at least on the annual bases, so that is one part of the system. The second part of the system needs to be in my mind quite much on training and what the, the level of people that we are talking about in my mind what is more effective is coaching and we do not have really a strong coaching in structure...” (TE1, PB)*

In the above example, the participant emphasises the importance of having fair and regular assessments to identify gaps in the individual's abilities and to allocate the right development. The talented employee (1) also indicates that there is no clear coaching in the organisation to help develop the talented people, and he believes that coaching is one of the most effective ways of developing talented employees. Additionally, the participants indicate that, in order to manage the talented employees and develop them effectively, the objective of TM and what it means to this group should be clear. These different views from the employees may suggest that the definition of TM should be clear and transparent for everybody in the organisation. The line managers and employees involved in this study feel that this will help to manage and develop the right talent as well as managing the talented employees' expectations.

From the above deliberations, it is clear that managing and developing talent can be done through clear and transparent objectives of TM and by devising a clear development plan with constructive feedback. Moreover, the participants believe that the high-potential people, or top talent, would prefer more coaching to help them to develop their skills. Accordingly, the staff members in this study indicate that it is very important that the organisation allocates a team to look after the talented employees by producing a clear development plan to manage their expectations. Both line managers and employees feel that clear communications and clarity in the system might enhance the method of managing talent, which they believe might have an impact on the TM system's overall effectiveness.

## 8.4 Main Constituents in TM

The management group describes their organisation as a “*Matrix Organisation*” (Strategic Director, PB), which means involving different groups in the TM system. The managers in this study indicate that the main parties involved in the TM system consist of three groups: Top management (managing directors), HR and TM units, and the line managers; meanwhile, the talented employees are indirectly involved through their feedback. This is deduced from the quote below:

*“...the design itself is really made of people from HR and monitor by couple of people in the functions who have expose, who are expose to these processes as well you know they do not set in HR but their skill pool managers, they set in function but they expose to these processes because in the function they are the focal points, so we actually involve them... We have not involved them directly, if we involve them just because we want their views...”* (TM advisor2, PB)

In the above quote, the participant states that HR plays an important role in designing the TM system; however, the focal point is represented by the heads of functions or line managers. This means that HR cannot work in isolation in regard to the TM system without referring to the line managers or heads of functions. This may also suggest that the line managers or function heads are able to identify the right development that will meet the individual's and the organisation's needs. Furthermore, the TM advisor (2) indicates that the talented employees helped to design the TM system by giving their views on how to make the system more efficient. For instance, the participant highlights the fact that the organisation formed a committee called “*Talent Talk*”; this committee consists of those who are top-talent “*High Potential*” employees who give their views in monthly meetings with the top management in the organisation. This shows how the top management contributes to an effective TM system and takes care of future leaders of the organisation. Additionally, the data show the importance of involving the top management in the TM system and the managers' role in creating a successful TM system.

The management group believes that involving different constituents in the TM system is a very powerful tool for creating an effective TM system. The managers

state that the old version of the TM system in PB was not effective due to the limited involvement of different constituents in the TM system. Therefore, the participants report that the new version of TM in the organisation aims to include different parties directly and indirectly in the design of the TM system. This can be understood from the example below:

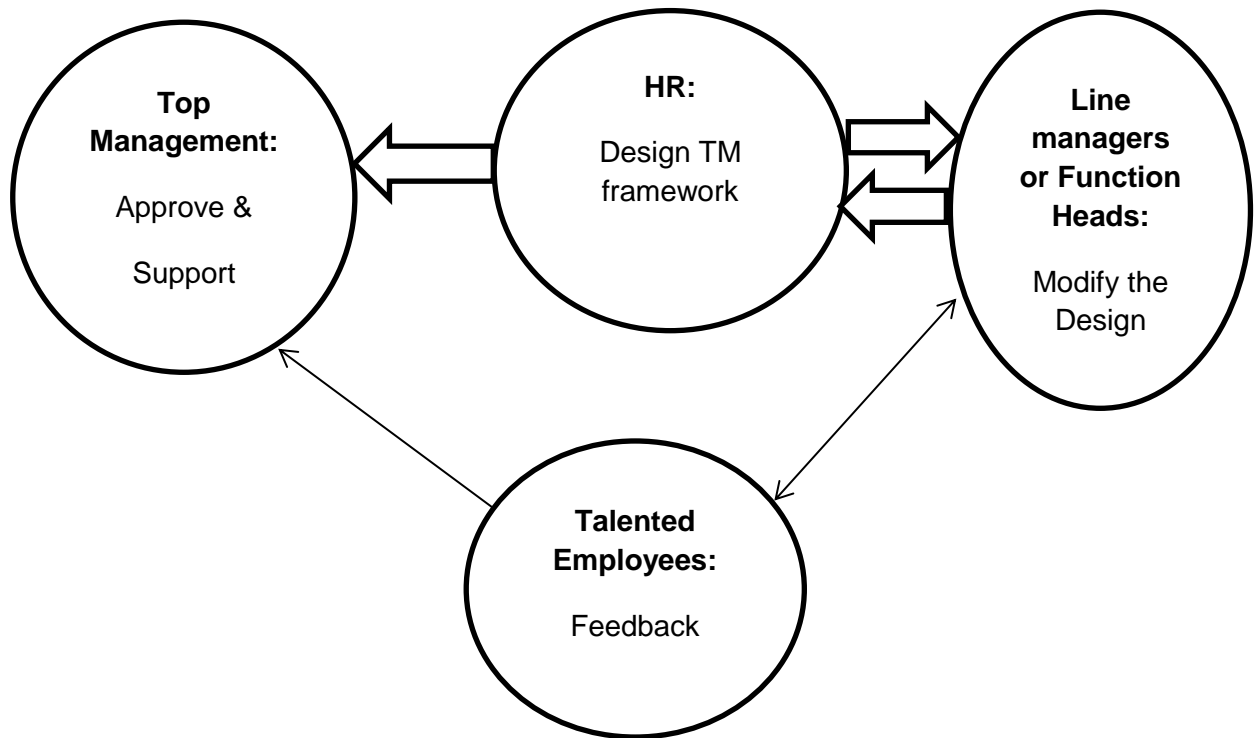
*“...we ask some people from other functions to join us and just we listen to the challenge and how you define of the talent management, it is very powerful because when you involve people earlier it will be smoother when you will launch it.” (HR manager, PB)*

From the above example, it is clear that the HR manager believes that the importance of involving different groups in the design of the TM process leads to a successful TM system. In addition, the participants from the management group indicate that the involvement of different constituents may produce different views and conflicts in regard to the design of the TM system as the interest varies from the top to the lower levels, which is sometimes challenging. However, the managers highlight that these different views are managed through the organisation's strategy directions as well as through its very structured governance.

From the above discussions, it is clear that PB's way of involving different constituents is similar to that of the previous cases (please see chapters 5, 6 & 7) which may explain the importance of having different constituents in the TM system. The interviews with managers show that the main owners of the TM system are HR and the line managers, while the employees have indirect involvement by expressing their views. The top management in the organisation acts as a supporter of the TM process. In addition, these different involvements in the new version of the TM in PB may indicate the failure of the previous TM system in PB to involve different parties in the TM system. This has led the managers to believe in the importance of different constituents' involvement in the TM process. This can be explained by normative pressure on how the organisation's beliefs are impacted by what the organisation's actors perceive to fit within the organisational context. This has led the actors within the organisation to consider the involvement of different parties in TM as changing the organisation's belief by recognising the importance of having different levels of

involvement in the TM system. Figure 8.2 shows the main constituents in the TM system in PB.

**Figure 8.2: The Role of Different Constituents in TM**



### **8.5 Selection Criteria for the TM in PB**

The interview data in Section 8.3 showed that the TM system is divided into three different segments: top level (high potential), middle level (managerial and professional) and lower level (technician). This may suggest that the organisation is following a segmented approach to managing and developing talent. This section analyses the selection criteria for each segment in the TM system.

The management group highlights that the identification of talent in these three different layers is achieved using two main tools: CAR (Capacity, Achievement and Relationship) and CEP (Current Estimated Potential). This can be understood from the quote below:

*“... so the criteria, there (are) three main criteria. One is capacity that (is) really to do with your ability to think, yeah, if you think about analytical thinking, critical thinking, be able to, you know, structure and logically think through (a) solution, you (are) comfortable with complexity that is capacity. The other one is achievement. Achievement is about the delivery of things, yeah, that is a simple one and, you know, being able to, you know, drive (a) single vision among many people, many teams, to one vision and delivery on that solution, that is achievement. And the third is the relationship, so as the word implies, it is about people, yeah, and your relationship with people because you could (do) very well at delivery and you could be very well (at) capacity, but your relationships are trouble because you delivering at the cost of upsetting the people. So that is how we, these (are) the three criteria in terms of how we band (pause), band our, what we call, our talent and it is, it is called Current Estimate Potential. What (does) it mean? When you (are) using CAR, what I explained to you now, Capacity, Achievement and Relationship, to measure the potential of my employees, yeah, and if you are high potential, then you are in the top talent, okay! That is how we assess talent.” (TM advisor 1, PB).*

In the above quotation, the TM advisor (1) illustrates that, at the early stage of talent identification, the CAR concept is adopted in order to assess the employees, based on three areas: Capacity (ability to think strategically), Achievement (ability to deliver results) and Relationship (relationships with other people across the organisation). Then she explains further by stating that those candidates who pass the first assessment will be assessed thorough another mechanism, the CEP, which stands for Current Estimated Potential. The participant reports that this tool is used to identify those who are in the top level of talent, based on their high potential. From the interview data with managers, it seems that the organisation focuses on two main areas in selecting people for the TM system: abilities (lower and middle levels) and potential (top level).

Moreover, the management group indicates that age is considered in situations where the employee is close to the retirement stage. Hence, the managers state that those employees will not be considered for the TM system. However, the participants highlight the fact that the organisation still provides them with training and workshops to help them to act as coaches for the young people. This is extracted from the quote below:

*“...when individual he is at maybe 50 or late of 50 or 55 he always reach his potential, majority they reached their potential, majority they already 5 years head on to get their retirement, so they are waiting after 5 years, so for those we do not normally consider them, we allow them to for example to go for training, workshop, to share their knowledge but normally we use them as coach, help other engineers you know when you will be at the age of 50 you are normally be as coach or those who are engineers...”* (HR manager, PB)

In the above example, the HR manager indicates that the TM system within PB is designed for the young and middle-aged groups of employees, while the older group receives training and workshops. In the above quote, the participant also states that those employees who are close to retirement act as coaches for the younger people. This may suggest that the organisation attempts to follow the concept of knowledge transfer from the older group to the younger group, as highlighted by the managers in this study. It might also explain that the managers feel that giving a coaching role to the older employees will help to create a culture that values experience and makes more senior staff members feel valued.

In terms of ethnicity, the management group illustrates that the TM framework is focused on Omani people; however, some expatriates from the [SH] Group are considered for this programme as PB is in a joint venture with [SH]. This is shown in the example below:

*“... so, in [PB] we currently have, I think it is about 6,000 Omanis and, of course, the rest are expats, you know, heading towards comfortably 9,000 people. So we do it also for expatriates but only Shell's expatriates, those who are coming from, you know, so it is not necessary (to) identify talent for your expatriate staff, it does not really make sense because, for you, it is really about the development, so mostly we spend a lot of energy on Omanis...”* (Strategic Director, PB)

In the above statement, the Strategic Director states that the TM system in this organisation is not reserved for Omanis but also includes expatriates from the [SH] Group; meanwhile, other expatriates working for PB are not considered for the TM system but receive other forms of training and development programmes. This indicates the organisation's policy of recruiting expatriates who are believed to already have the right talent for the business. In addition, the managers in this

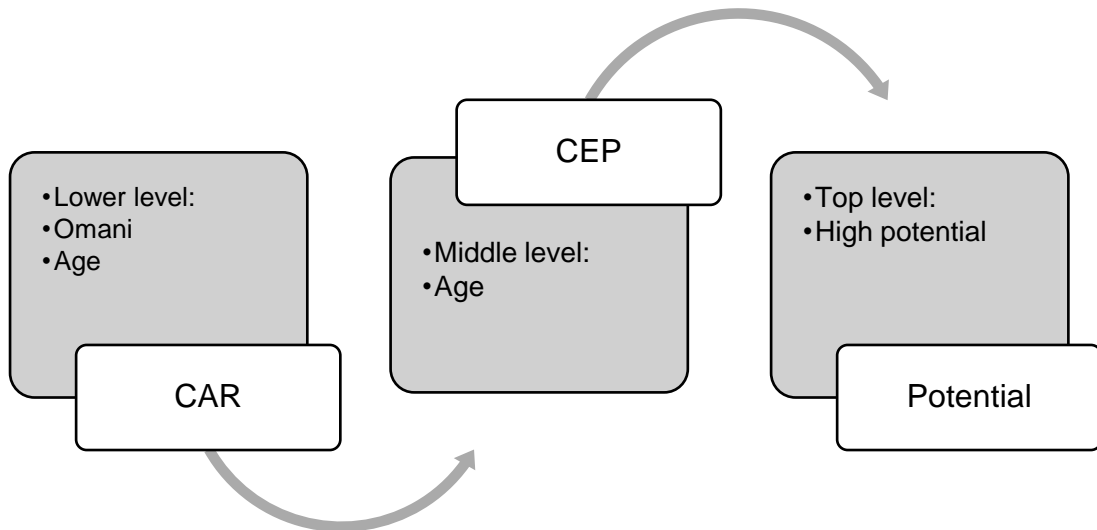
study believe that focusing on Omanis helps to maintain the sustainability and efficiency of the local talent pipeline.

From the interview data, it is apparent that the selection criteria for the TM system in PB are focused on CAR and CEP in order to allocate the right talent to the three different levels. Additionally, the participants highlight the fact that the nature of the organisation influences the selection of employees even if they are not local. The data show that age is also considered in the TM system if the employee is close to the retirement stage. However, the managers indicate that the TM system at the lower level is mainly designed for young Omani employees, while the middle and top levels are for local people and SH's employees, as shown in Figure 8.3.

It can be observed that, although there are different categories and assessments among the four case-study organisations in allocating and developing their own talent, there are still some similarities and commonalities about who should be considered as talent and how it should be assessed. This could be explained by how the different pressures (coercive, mimetic and normative) have shaped the TM system to fit into the organisation's context. This results in the adoption of criteria that force the companies to target mainly Omani workers with some of the mimetic criteria being well established in the successful organisations (e.g. performance and potential). This might create perceptions of inequality among expatriates, which could pose a problem for these organisations.



**Figure 8.3: The Selection Criteria for Three Different Levels in TM**



### **8.6 Obstacles that Limit Effectiveness of TM**

This section examines the obstacles that may limit the effectiveness of the TM system in PB from the management group's and employees' perspectives. The interviews with managers and employees show that the TM system faces certain obstacles that limit its effectiveness. For instance, the managers report that the previous TM system in PB failed to integrate the various parts and was also lacking in terms of communication and transparency among different stakeholders in the organisation, which led to an ineffective TM system. Accordingly, the participants indicate that the organisation introduced a new TM framework to meet these challenges.

However, the Strategic Director criticises the country's labour laws, which do not address the changes in the market: "... *the labour laws, they are so old, they have quite contact with changing market...not allows to do, you know, proper, proper talent management*". She believes that this may limit the effectiveness of the new version of the TM system in the company, possibly explaining the role of external pressure in hindering the TM system's effectiveness. In addition, the managers in this study illustrate that the differences in needs between generations X and Y hamper the effectiveness of the TM system. For instance, the participants state

that the new generation (Y) is characterised by mobility, risk-taking and a greater likelihood of rapid career progression. This is deduced from the example below:

*“...the old generation likes want the job for life and want you know we see ourselves so loyal to the company even if we are thrown into you know I mean any directors get offer twice package overnight you can go here you know instead of X you get two X and still we won't take it because we are on that generation and the new generation is much more mobile, they, they are much more willing to take risk, they are not too married to the ultimate game...” (Strategic Director, PB)*

In the above example, the participant explains the differences in needs between the two generations (X&Y), which she believes might limit the effectiveness of the TM system in the company. This is also highlighted by the HR manager and TM advisor (1) who state that:

*“... the differences between young people who... mostly (dominate) the TM programmes and the older employees is that young people do care more about their development and career progression and this... might (be) a problem for us because, if we do not meet their needs, they easily move to other companies...” (HR manager, PB)*

*“... today('s) generation is very much 'oh, it is two years here and I am going to move three years here and four years here' and sometimes, by the end of their fifth year, they consider themselves expert: 'I have got a lot of experiences.' 'How many years?' 'Five.' (Laugh) You know, some, you know, I... consider that someone asked me: 'DM, how much experience do you have?' And I said I have worked for 20 years and now 22 years, if you think I actually started my career, actually I have 20 years' experience and they, oh, you know, so I find the new generation want, want to progress faster...” (TM advisor 1, PB).*

The managers believe that it is essential for the company, when designing a TM framework, to address these differences in needs from an early stage, especially since the TM system in the company is mainly focused on young people. The management group also indicates that the country's culture “*entitlement culture*” may limit the effectiveness of the TM. For example, the TM advisor (2) mentions the culture of the Middle East in general, which holds that a person who has

spent, for example, more than 10 or 15 years in a position is entitled to that position regardless of whether he/she has the ability to hold it. This is shown from the quote below:

*“... the Middle East culture... but the culture that I see (pause) a lot in the Middle East, you know, we want to develop on you. I think if you want to this course be really good, but the responses were: ‘If I will go for this course, what is in it for me?’ and they do not see it that... it is going to be developed and you gets new knowledge and new skill, it does not necessary it will work with everyone, they do not see it that way. ‘What, I will get promotion if I will go to this development, if I finish all these development courses and these development actions and tasks, will I get promoted? Will I move to other positions?’ Thus, that is culture affect... (on) the talent management framework effectiveness...”(TM advisor 2, PB).*

The participants suggest that this type of culture may create resistance to the new type of mobility and selection in regard to the TM system, which may ultimately have a negative impact on the effectiveness of the TM system. Furthermore, the managers interviewed for this study believe that the effectiveness of the TM system relies on effective human interaction among different parties in the organisation. This may explain the importance of having clear communications and involvement among different stakeholders in regard to the TM system. TM advisor1 within PB states:

*“...but it will just remind the same that beautiful picture unless you still, unless you have the human connection to it, so it still means if I look at it talent management still needs a supervisor, line manager having conversation with individual about his or her development right and really setting down with individual as if developing their own child...” (TM advisor 1, PB)*

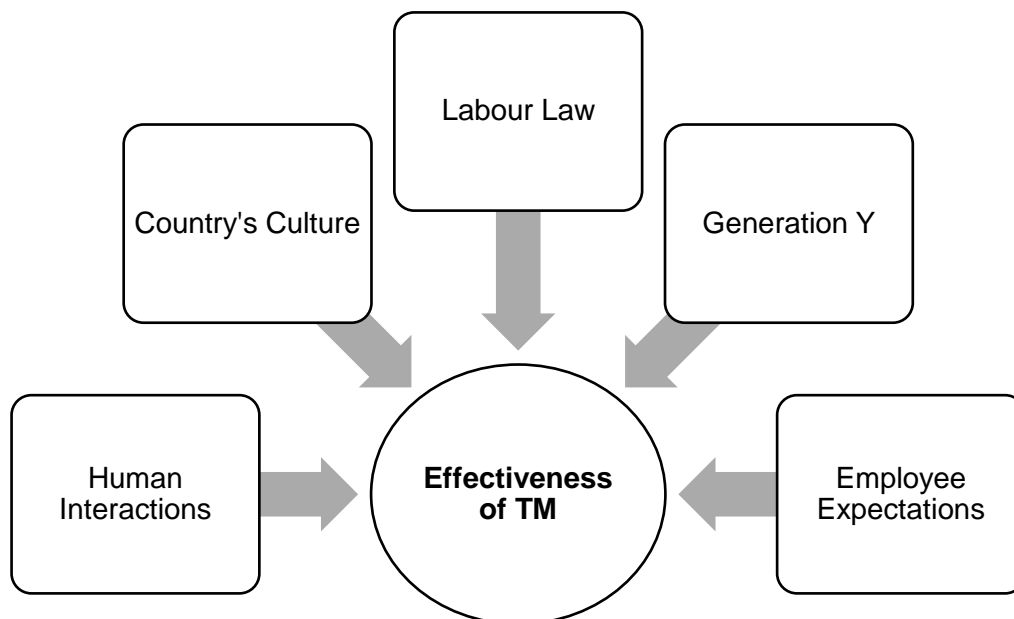
From the above example, it is suggested that the TM system needs effective human connections among different members of the organisation if the TM system is to be effective and successful. Additionally, the TM advisor (2) emphasises the importance of clear communications between two main parties: line manager and employee. This may indicate that the line manager is the key figure in identifying the right development for the right talent.

Employee expectations also play an important part in influencing the effectiveness of the TM framework as the respondents state that some talented

employees, having reached the talent pool, start asking when they will move to the next level when there are no current vacancies available. This sometimes demotivates them and they may leave the company. One of the talented employees says: *“I do feel like I reached maybe ceiling where it is not easy to break and so if I get opportunity where I can still do what I love and break that ceiling, then yes I will go for it.”* (TE1, PB). Accordingly, the talented employees in this study believe that the organisation should be very creative in managing these high expectations.

According to the interviews with managers and employees, there are a number of external and internal obstacles that may limit the effectiveness of the TM system in the organisation. These are summarised in Figure 8.4. The data show that most of these obstacles are related to generational needs, the country’s culture and human interactions.

**Figure8.4: Obstacles that May Limit the Effectiveness of TM in PB**



## 8.7 Outcome of TM

Despite the obstacles that may limit the effectiveness of the TM system in PB, the system has some positive outcomes for the organisation and employee commitment specifically. Thus, this section presents the outcomes of the TM system for the organisation from the management group's, line managers' and talented employees' perspectives. Interviews with managers and employees show that the organisation has used different techniques in order to attract and retain the talented employees. For example, the TM manager in PB indicates that, due to the changing needs of individuals who have become more concerned with their development and career path than with the financial aspect, the organisation has introduced a concept called Employee Value Propositions (EVP) that focus on development and career paths and redevelop the pay structure to meet the current requirements of employees. This is deduced from the example below:

*"Employee Value Propositions (EVP), new generations not motivated by money and they want to develop themselves and they want to have clear career path." (TM manager, PB)*

In the above example, the participants indicate that one of the tools that has been introduced within PB, and is believed to be able to attract and retain employees, is EVP. The managers who took part in this study report that this tool is designed specifically to meet the needs of the new generation who care more about their career paths. From the managers' point of view, they believe that the organisation is aiming to create a sufficiently large talent pool for the long term by focusing more on attracting young people and including them in the TM system. Furthermore, the data illustrate that the most powerful tool for attracting candidates to PB is the different development opportunities offered by the company. For instance, a talented employee (2) highlights that one of the main reasons for joining this company is the distinct development opportunities offered by the organisation: *"[PB] was the best place to join and like everyone dream if I get to [PB] it is something fantastic, something to be proud of, so really it is just, it was fantastic place, everyone knew about [PB] or everyone felt proud to join*

[PB]...” This may explain the influence of the development opportunities in the TM system in attracting the best people from the market to this organisation. Therefore, the participants believe that the TM system in PB is related more to development and career path, which helps to attract the talented people.

As for the impact of these tools, specifically the TM system, on the organisation, the managers report that the organisation became well-known for its TM system in the market as they feel that they have a very robust TM system in place. The management group describes the talent pool within PB as feeding the whole industry with talented people and they believe that this has helped the organisation to gain a top-brand name in the market in terms of its TM system. Accordingly, the managers state that this branding has attracted a lot of people to work in the organisation. This can be understood from the quote below:

*“...now you can see a lot of organisations outside paying more than what [PB] pays but the power, [PB's] power is always on the talent management and development of employees...” (LM2, PB)*

In the above quote, it is believed that the TM system has helped the organisation to secure a good reputation in terms of managing and developing the right talent for the organisation and the country's oil and gas industry as a whole. The participants show that this reputation for having a robust TM system in place also plays a role in attracting the best people in the market. Additionally, the participants indicate that the TM system has provided a talent pipeline capable of providing local talent for the top positions, which meets the Government's policy (90% Omanisation). Moreover, both the management group and line managers who took part in this study believe that the organisation has a sufficient pool of critical skills required for current business needs. They feel that this might be a source of talent for other Gulf countries facing the same problems in oil exploration and production.

As for the impact of the TM system on employee commitment, the HR manager states that the TM system has a positive impact on employee commitment by reducing the turnover rate to 3%, which is very good compared with PB's competitors. The HR manager also indicates that he believes some employees who had left the organisation returned because of the proper development and

clear career-growth policies which are not available in other organisations. Furthermore, the managers state that employees who left the organisation and were considered talented are now leading other organisations. Thus they believe that this has given PB a very good name in terms of its TM system. The participants also feel that their organisation provides good leaders for the whole country, indicating a robust TM system.

The talented employees express their happiness at being selected for the talent pool, mentioning that the TM system has provided them with a well-developed programme. The data show that the TM system has had a positive influence on the loyalty and commitment of the employees. This is deduced from the following:

*“Today if I think of any reason that will make to leave [PB] I will struggle to find any to be honest there is no reason that makes me to leave [PB]...” (TE2, PB)*

It can be understood from the above words of one of the talented employees that the TM system has become a powerful tool for retaining the talented people as well as establishing loyalty and commitment among employees. However, another talented employee (1) indicates that although the organisation has offered different development opportunities to him and he is doing what he loves, he may leave the company if his expectations are not met. For instance, the interviewee explains that he held this view because he had reached the stage where it is difficult to break the ceiling; i.e. the participant would not leave the organisation for money or a similar position - he is aiming for a leading position. This suggests the importance of managing the employees' expectations; as discussed in section 8.6, failure to do so may limit the effectiveness of the TM system.

Both managers and employees interviewed for this study believe that the TM system in PB has helped the organisation to gain a good reputation in terms of managing and developing talented employees in the local market. Furthermore, the data illustrate the positive impact of the TM system on employee commitment. However, both managers and employees indicate that meeting the employees' expectations is essential to maintaining the effectiveness of the TM system as well as employee commitment. Thus, all participants believe that the organisation

should also focus on managing the talented employees' expectations as well as their development.

Although the interviews with managers and employees show that TM has a positive impact on the organisation and on employee commitment in particular, there is still a need for further evaluation of the impact of TM by conducting a wider study with a large number of employees.

## **8.8 Summary**

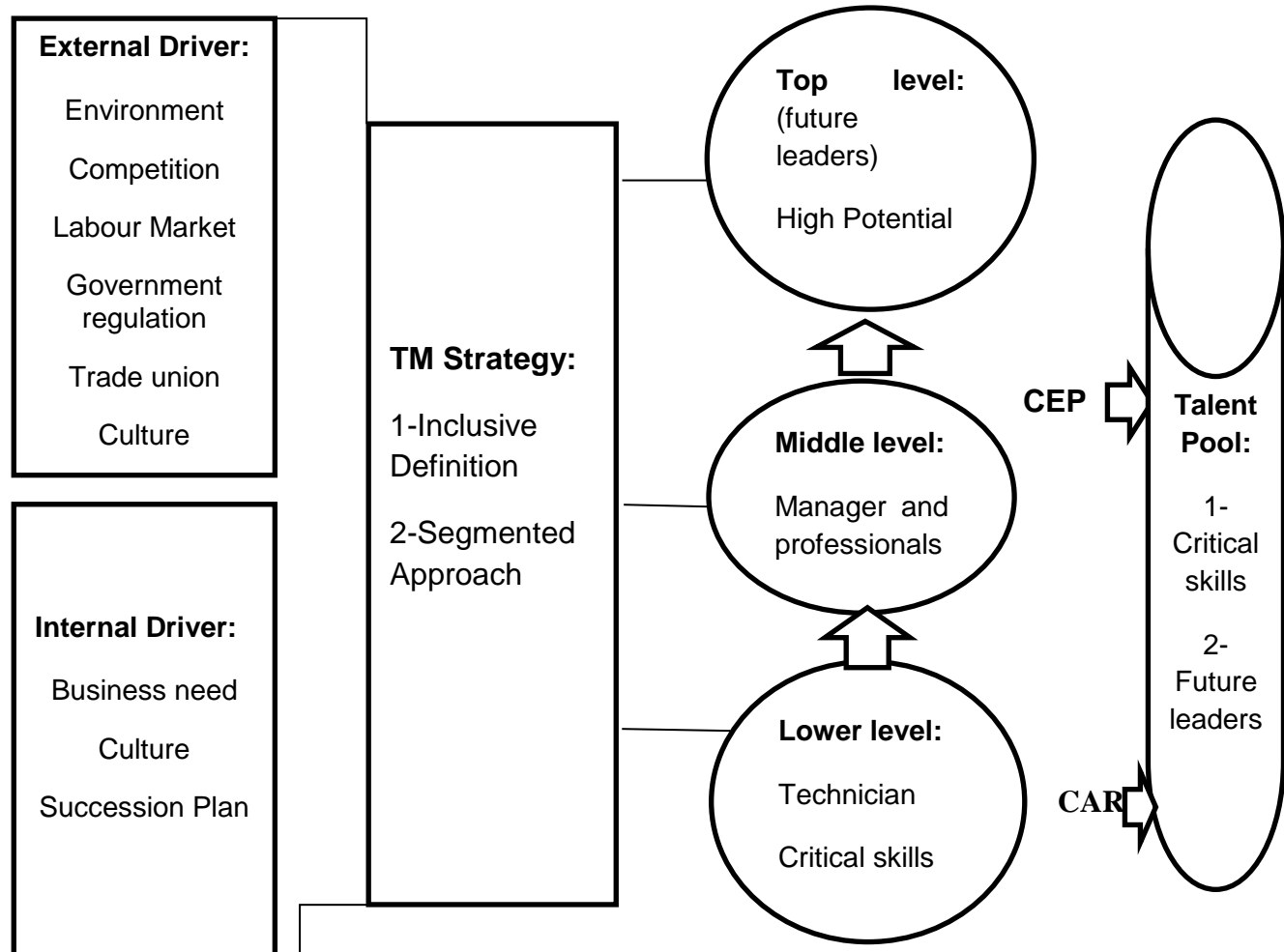
From the second case-study in the petroleum sector, a number of themes emerged, shedding more light on the operationalisation of TM and its meaning. First, the interviews data indicate that the external pressures in terms of competition and local environmental factors have influenced the definition of talent and TM in PB. The participants highlight that the definition of talent and TM in this organisation has changed from a narrow definition, which focused on one group of people (high potential), to a broad definition that targets everyone in the organisation at different levels in the TM system. Therefore, the managers within PB report that the change in the definition of talent has influenced the approach to managing and developing talent, changing it from an exclusive focus on high potential to a segmented approach through the creation of three different levels of talent: lower level (technical skills), middle level (managerial and professional) and top level (high potential). This may suggest that the organisation has adopted an inclusive definition of talent with a segmented approach to managing and developing these three different levels in order to respond to these external pressures. Second, the management group states that the identification and allocation of the talent at these three levels is achieved using two main tools: CAR and CEP; the former is used for the lower level, which focuses more on capability and strategic thinking, while the latter is adopted for the middle and top levels that focus more on the potential to be future leaders of the organisation. This may suggest that the organisation aims to create a sufficient talent pool of critical skills and future leaders.

Third, interviews with managers show that the TM system is primarily designed to target Omani employees but it also includes expatriates from the SH Group,



thus revealing the influence of a Joint-Venture business on how TM might operate in the organisation. Fourth, the participants indicate that the two main players in the process of the TM system are the HR team and the line managers, while the employees are involved indirectly by providing their feedback. This may suggest that HR cannot work in isolation in terms of designing the TM system without involving the line managers and receiving the support of the top management. Fifth, the interviews data illustrate that the TM in PB has faced some obstacles that have limited its effectiveness, such as miscommunication and unclear objectives among different parties in the organisation. This may explain the importance of constituents' involvement in creating an effective TM system in an organisation. However, the data show that there are still a number of obstacles that may limit the effectiveness of the TM system; these include generational differences (X&Y) and employee expectations. Sixth, the data illustrate that PB has gained a good reputation in the marketplace in terms of development opportunities, especially its TM system which has become a tool to attract talented people in the market to PB. This may suggest that the TM has had a positive influence on the organisation. Finally, the process of the TM system in PB is presented in Figure 8.5.

**Figure 8.5: The TM in PB**



## **Chapter 9: Cross-Case Analysis and Discussion**

### **9.0 Introduction**

In previous chapters (Five, Six, Seven and Eight), each case analysis presented the types of Talent Management (TM) employed by four organisations in two different sectors: banking and petroleum. Therefore, the purpose of this chapter is to present the findings of the cross-case analysis in order to develop a solid and comprehensive understanding of the nature of TM and its impact on these organisations. Miles and Huberman (1994) imply that a cross-case analysis provides a deeper understanding and explanation than does a standalone analysis of isolated cases and as a result provides more sophisticated descriptions. In addition to this advantage, using a cross-case analysis will also help to synthesise the main issues and insights from the four case studies in the present study. This is important as Yin (2003) stipulates that a cross-case analysis is able to build a general explanation that fits all the cases and scenarios, even if the details within each case differ. Within each part of the findings, theoretical discussions will be provided. In this way, the data is examined for commonalities, as well as differences, that can be explained through building on a consistent theoretical basis. As primary data has already been presented in each case under the same structure, this has not been reproduced further. In selecting this cross-case analysis, this chapter will be structured as follows:

To begin this chapter, an overview of the key findings of the main characteristics of managing and developing talent among the four case organisations will be illustrated in Table 9.1 in Section 9.1. This is then followed by a summary of the rationale for implementing TM within the banking and petroleum organisations in Section 9.2. In Section 9.3, the lens of Institutional Theory is used to help to provide a rationale for TM. Furthermore, this chapter illustrates how the institutional perspective not only explains practices within an organisation but also explains the role and influence of different institutional layers throughout this process. Using this approach, it is possible to demonstrate how, why and under which conditions TM is implemented within these case organisations. Thus, the implications of the different institutional pressures are examined in Section 9.4. This study therefore addresses the call from TM scholars for more pluralistic

approaches to the study of TM (Tansley et al. 2013; Thunnissen et al. 2013b; Collings 2014; Thunnissen and Arensbergen 2015; Beamond et al. 2016). Finally, after presenting this more pluralistic approach through the use of the Institutional theory, a summary of this chapter is presented in Section 9.5.

### **9.1 An Overview on the Characteristics of Managing and Developing Talent in the four organisations**

Before discussing how these main findings relate to the theoretical perspective, it is interesting to summarise the key concepts and characteristics of TM that were found across the four case organisations in the previous chapters (Five, Six, Seven and Eight), categorised, as shown in the table below (9.1), into: the focus of TM; the definition of talent; the approach of TM; the selection criteria and assessment; and the methods of managing and developing talent.

As observed in Table 9.1, although TM is addressed within the context of the Omani populace (expatriates will be examined later in this chapter), several differences are found between the requirements in the two types of private firms. Here one finds that banks are multinational in their orientation and primarily concerned with longer term succession planning, whereas petroleum firms are joint venture-focused in a petrochemical area that is dynamically changing and as a result are seeking more than ever the critical skills that they need in order to operate. As a consequence of these differing pressures, each individual firm follows its own approach to TM in terms of candidate selection and methodologies for formal training. For example, as the table (9.1) below demonstrates, there are different levels of managing and developing talent within TM programmes. This data indicates that lower and average performers under TM systems receive different training courses than those provided for top-performing employees. Here one sees that top performers receive special and intensive development programmes.

Therefore, what this data appears to indicate is that the main feature of the TM approach that differs between these organisations is the TM architecture. Moreover, lower-level, average-level and top-level performance is differentiated through different assessment criteria. The data from the earlier sections (5.5, 6.5,

7.5 and 8.5) indicates that the four organisations use different assessments for identifying talent at each layer within their respective TM systems and that the identification of talent also varies across these four organisations. For example, BB and PA apply competency frameworks for unearthing untapped talent. However, whereas PA uses competency profiling through the job-profiling process for each initial position, BB focuses on behaviour competency as the main indicator for allocating talent appropriately. However, despite these different assessment methods, all four organisations use the common criteria of age, nationality and performance when considering TM programme candidates.

Conversely, what the findings from the previous chapters (Sections 5.3, 6.3, 7.3 and 8.3) also indicate is that, in order to manage and develop talent effectively, multiple methods should be considered. For example: In BA, as shown in Table 9.1, constructive feedback and incentive mechanisms are found to help to develop and retain talent. On the other hand, in the case of BB, the main focus appears to be on identifying the correct factors and having multiple assessors to help to manage and develop that talent most appropriate to meeting the organisation's expectations. Moreover, both the PA and PB cases report that a clear development plan, as well as coaching, are the most important strategies for enhancing the performance of talented individuals. However, the table (9.1) demonstrates that, despite these differences, there is substantial agreement among the four cases that coaching and mentoring are required methods for managing and retaining talented employees within a modern corporate environment.

In the context of TM within these organisations, the similarities and differences that one can observe throughout this present study are underpinned and explained by differing factors relating to the role played by Institutional theory, which will be examined in the next section.

**Table 9.1: The Characteristics of Managing and Developing Talent in the Four Organisations**

Case	Sector	Size & Type of Organisation	Focus of TM	Definition of Talent	TM Approach	Selection Criteria	Assessment	How Talent is Managed & Developed
<b>BA</b>	Banking	Multinational	Omani employees	High Potential	Comprised of two parts: 1- Learning and development for High Potential (Exclusive) 2- Training courses for less talented (Inclusive)	Omani Age: 25-45 Experience Performance Potential	Psychometric test  Personal interviews  Discussion and other activities	Right assessments Constructive feedback  Redesigning incentive mechanisms Coaching
<b>BB</b>	Banking	Multinational	Omani employees	High Performer/ Potential	Three different layers: 1- Platinum: Top management (Inclusive) 2- Gold: Middle management (Exclusive) 3- Silver: Lower management (Exclusive)	<b>Platinum:</b> No selection criteria  <b>Gold &amp; Silver:</b> Age Omani Experience Performance	Competency Framework for three layers (Behaviour)	Right identification & assessments  Multiple assessors  Coaching & Mentoring
<b>PA</b>	Petroleum	Small- joint-venture company	Omani employees	Critical Skills	Comprised of two parts: 1- Graduate Scheme (Inclusive & Exclusive) 2- Experienced Leaders (Exclusive)	Omani Age :25-45 Experience Qualification Performance	Competency Framework (Competency Profiling/Job profiling)	Clear development plan  Coaching  Delegation
<b>PB</b>	Petroleum	Joint-venture company	Omani employees	Critical Skills and High Potential	Three different layers: 1- Top level: High Potential (Exclusive) 2- Middle level: managers & professional (Exclusive) 3- Lower level: Technician (Inclusive)	Performance Age Experience Omanis in lower and middle levels  some non-Omanis for top level (employees from the SH company)	CAR for lower level  CEP for middle and top levels	Clear development plan  Right assessments  Constructive feedback  Coaching

## **9.2 The Rationale for TM in the Banking and Petroleum Organisations**

In this section, the main external and internal factors that have driven the four organisations to introduce their own TM programme are presented. These factors are summarised and consolidated in Table 9.2, below, which classes Omanisation, the labour market, competition as the main external drivers. Conversely, factors such as the succession plan and the needs of the business are classified as the main internal drivers. These areas will be explored within this section.

Within a changing economic landscape, Oman is faced with the challenge of addressing new pressures, such as competition from foreign competitors, as well as the drive from the government to prioritise a variety of working positions for local applicants. In exploring these various relationships, both internal and external, to the processes that these organisations use to recruit new employees, it appears that the organisations adopt measures to build on pre-existing strategies that nurture potentially talented employees. This strategy enables companies to allocate TM resources efficiently when required at specific intervals. However, organisations are also conscious of the challenges of engaging a local workforce whose values are rooted heavily in traditional tribal culture. For example, the managers in this study report that, because of the culture constraint (entitlement culture) in which people believe that reaching the top positions is determined by experience and close relationships with top management (*wasta*), they have therefore been led to incorporate a TM model that is sensitive to these factors.

**Table 9.2: The Rationale for Implementing TM in Banking and Petroleum Sectors**

	<u>External</u>			<u>Internal</u>	
Case	Omanisation	Competition	Labour market	Succession plan	Business Requirement
BA	✓	✓	✓	✓	
BB	✓	✓	✓	✓	
PA	✓	✓	✓	✓	✓
PB	✓	✓	✓	✓	✓



The literature in Chapter Two (Section 2.2) shows that the labour market in several GCC countries, including, in particular, Oman's private sector, is characterised by a heavy reliance on an expatriate workforce (Al-Waqfi and Forstenlechner 2014). Consequently, this reliance on expatriates reportedly has a negative impact on the local economy. Because of this, there are future concerns that a high turnover of expats may cause further delay to the Sultanate's economic development (Common 2011). The high unemployment rate among young people (22% for young males and 39% for young females between 15 and 24 years old) (Lanvin and Evans 2015) was a key rationale for the government to implement localisation policies which enabled Omani natives to work in more important positions and places.

The role of the Omani nationalisation policy was also to allocate locals to different employment sectors and in particular to private organisations (Al-Lamki 1998; O'Sullivan et al. 2011). A learning and development advisor (BA) states that one of the regulations of Omanisation is that employment should be comprised of 90% Omani citizens, with placement at different levels within organisations, including management, and not just at the lower levels. The managers in this study report that this policy has impacted each case organisation in contrasting but often complementary ways. The data from sections 5.2.2, 6.2.2, 7.2.2 and 8.2.2 suggest that the Omanisation policy (government regulation) has been the main external motive for the introduction of the TM system within the banking and petroleum sectors. Moreover, in the case study PB, covered in the previous chapter (Chapter Eight), one could argue that the Government's drive to force organisations to replace their expatriate workforce with locals could indicate a shift in beliefs and social values. Consequently, because of this active governmental assistance, Oman's private sector is expected to see an increase in job opportunities for local people.

In light of this Omanisation policy, one emerging and interrelated issue is the difference in competition observed between the banking and petroleum sectors. For example, the managers involved in this study highlight the fact that the banking sector is currently experiencing strong competition from both the government and the new Islamic banks in terms of their ability to attract and retain talented local people.

Moreover, this is a result of the difficulty faced by the banking industry in Islamic countries in adopting the same commercial aspects as a result of ethical concerns. The participants within BA and BB highlight that the banking industry struggles with the commercial aspects usually associated with its role in Western countries and also attempts to harmonise its policy with the country's Islamic religious values. Respondents also note how the public perceptions of conventional banks added further strain to the sector in terms of attracting local talent. As a result of this difficulty, the participants in this study indicate that the banking sector in Oman has been observed to adopt different policies and strategies that focus on career development and progression, such as the adoption of a TM system, which in turn will enable these banks to attract more local talent.

As well as these pressures observed within the banking sector, Oman's petroleum sector (see chapters Seven and Eight) is also facing its own pressures as a result of dynamic changes in oil exploration and production methods. Here it should also be mentioned that, under Oman's evolving business landscape, the skill-sets and competences required by the petroleum industry have also changed. Therefore, as with the banking sector, the managers who were interviewed for this study within the petroleum companies (PA and PB) indicate that a new form of TM is required to face these new challenges. However, partly because of the nature of the Omanisation policy, and the fact that the constrained labour market is currently unable to supply this newly required talent, one now sees increase competition for these types of skills. One HR manager (PA) describes this as a "talent war" between the oil and gas industries because of the acute shortage of this newly required expertise. Moreover, this manager also states that, where there had simply been no competition for talent previously, both foreign and local firms have now emerged as prominent competitors. Furthermore, the competition for talent explains that, within both sectors (banking and petroleum), the managers in this study report that their organisations are now experiencing a scarcity of talent but for different reasons. Consequently, the managers within the four-case study organisations highlight that this shortage of local talent is the main contemporary challenge facing their organisations. They believe that this shortage has also been linked to the failure of higher-education

institutions in providing adequately qualified graduates capable of applying their academic experience to the real-life scenarios of the private sector.

It seems that one contributing factor pressuring the governmental push for Omanisation (nationalisation) is the increase in competition for talent between organisations within the public sector. There is also the fact that this increasing competition is creating deeper challenges for the local labour market. The data also suggest that the high rate of youth unemployment (the surplus of unqualified workers) is caused by the failure of higher-education institutions to provide courses that equip local applicants with the skills they need for their organisations.

Indeed, this same issue within higher-education institutions, as reported by the participants, has been highlighted earlier by the literature in Chapter Two (The Supreme Council for Planning 2012; Lanvin and Evans 2015). Therefore, as the current literature already demonstrates that Omani higher-education institutions are predominantly geared towards preparing graduates for the public sector, one could argue that the lack of transferability within these public sector-oriented courses has also been a challenge when recruiting local applicants. Furthermore, as well as acknowledging this challenge of skill transferability, the managers in the present study further demonstrate this frustration with the new Omanisation policy and report that adopting the best possible recruitment practices will be necessary to meet this required standard.

The findings further highlight how respondents within the banking area are acknowledging the emerging competition (“the other side”) of Islamic banks within the private sector (Mellahi 2006). As commercial banking is traditionally perceived negatively by Oman’s Islamic population, the banking industry has been required to adopt measures that can offset this problem by increasing its outward favourability to these local applicants. This suggests that the institutional push towards the Omanisation of its workforce, together with the unpopular perception of commercialised banking, have pressured higher management within these banking organisations (BA) to develop new recruitment strategies that can attract the amount of local applicants necessary to meet the demands driven by this Omanisation policy. Consequently, these measures appear to have been translated into a strategy through the introduction of a TM programme.

Furthermore, as a result of these acknowledged factors, business requirements now include the core activities that need to be undertaken in order to meet the strategic objectives of each organisation. The managers in this study highlight that the policy of Omanisation, coupled with this newfound strain in the labour market, has led to increased competition between each of the four private-sector organisations in terms of attracting and retaining local talent. Respondents acknowledge their need to develop a more strategic TM framework that integrates into their organisational strategies. The following response provides further support that organisations are currently implementing their respective TM systems for strategic reasons:

*“...from the outside environment where one can mention the government and the central bank have been both an external factor and an internal factor affecting the organisation, which has demanded successive planning to prepare the second line and the third line of leadership within the organisation, so these new measures are definitely not just to raise our status, no; we are doing it because of these other pressures...”* (HR Manager, BA)

As indicated in Table 9.2, this excerpt from this HR Manager (BA) points towards the existence of other internal drivers engaging TM in organisations within the banking and petroleum sectors. Data from across these different (but also similarly overlapping) cases (see chapters Five, Six, Seven and Eight) illustrate that one of the main internal motives for the implementation of TM in both sectors is the succession plan, with one respondent stating that *“...the main driver for using TM is to ensure that the succession plan is adequately supported”*. (TM Advisor, BB).

From an organisational standpoint, it is already acknowledged that succession plans are needed to recognise and actively develop cooperative internal staff who can assume key business leadership roles within Oman’s private-sector organisations (Boudreau 2013). Moreover, it has also been acknowledged that this cannot be achieved without the structured approach that TM provides. However, it did emerge (as noted immediately below) that the succession plan in both sectors differed in key areas. It was also obvious that the external environment has played a role in moulding the succession plan of each sector. For instance, the participants from the banking sector indicate that the main focus

of succession plans in organisations within the banking sector has been on developing locally sourced leaders that could run organisations on a short-, medium- and long-term basis (Lewis and Heckman 2006). This external-to-internal paradox has been strongly linked to the shortage of local leaders within Oman's labour market as well as the rigorous policies of Omanisation which seek to place Omani people in senior and leading managerial positions. These influences may perhaps explain the greater impact that Omanisation has had on the banking sector. They also explain why the skills and meta-competency requirements that are needed for organisations within the banking sector are more than they are for their petroleum counterparts.

Overall, both banking-sector cases have focused on developing local leaders as part of their succession plans more than the organisations within the petroleum sector have done. This is explained by the banking sector's achievement of enforcing a 90 percent Omanisation figure within the lower and middle management (Al-Lamki 2005); but it is also why these organisations still struggle to nationalise the workforce at top levels of management. Conversely, succession plans in petroleum-based organisations were initiated, constructed and adopted in response to the changing business nature of Oman's oil exploration and production. As a result, new skill-sets and meta-competences have been required to mirror this changing business environment. Moreover, this change in business structure has also required new models and approaches to leadership that appear largely absent within the local labour market.

*"...There is a change of portfolio when moving from the primary oil to the secondary oil; we see enhanced oil recovery that will change the (PB's) portfolio and it will need another type of leader as well as other types of competences..."* (HR Manager, PB)

*“...see, the philosophy has been very clear for the last almost seven, eight years now, but we want to develop talent even further; you know it is very difficult for us to enter the market each time and fill an open internal position... and now this cannot happen in a very unstructured way like this unless there are certain methods, which is exactly why we have a certain way of doing things through a certain framework and have adopted a framework for talent management...”* (TM Advisor 1, BA)

The statements made by both these respondents further indicate that the implementation of TM has not only been driven by the external institutional environmental factors alluded to in the other statements, but also by the nature of the business itself. This means that organisations have combined the importance of its needs and TM by creating fair opportunities for local employees to be developed and grown within the context of the demands of each business model. This, in turn, stems from the vision of the organisation of offering more chances for their local people to grow and to be valued for their different skill-sets and attributes through the introduction of a TM programme. Additionally, the preference to develop and nurture their own in-house capability (talent), rather than procure it, also appears obvious. This is most likely related to the widely acknowledged “strain within the local market” that has, in turn, called for an attempt to allocate the correct talent for the unique demands of each firm (Boudreau 2013), but also the financial burden of required to allocate this talent accordingly.

Furthermore, it has been suggested that institutional barriers have not prevented these case-study organisations from embedding more strategic and flexible structures. Here, as suggested by these statements, these external motives subsequently benefit organisations by enabling them to become more proactive through adopting these internal characteristics (Scott 1995). For example, this would involve the strategy of company based on the organisation’s unique context. Based on these statements, these case-study organisations are actively attempting to create a positive climate within the organisations that transcends traditional Omani culture where senior jobs were once linked to social and family networks under *wasta*-based values, as highlighted in Chapter Two (Yahiaoui and Zoubir 2006) . Therefore, based on these statements, the participants believe that the organisations are becoming more sensitive to the importance of

transparency and fair process that can incentivise talent to join their organisations.

However, the above drivers for the implementation of TM and their implications for TM conceptualisation and operationalisation seem to be explained further by the Institutional theory adopted in this study. The next section, therefore, focuses on the role played by Institutional theory in both informing and restricting the process of TM within the context of the Omani economy.

### **9.3 Institutional theory and TM Strategy (Macro-level)**

As noted in Chapter Three (Section 3.4.1), the theoretical perspective that underpins the present study is Institutional theory. Although Institutional theory has been used to understand the phenomenon of TM (Preece et al. 2011; Festing et al. 2013; Gallardo-Gallardo et al. 2015), there is still a need to explore the specific pressures that might shape the assumptions that an organisation makes when selecting a particular TM approach and to look at the impact of the approach on the organisation's subsequent strategies. Accordingly, this study will explore how different perspectives on these institutional pressures can be adopted to understand the reasons why TM is implemented and their impact on TM in its conceptualisation and operationalisation.

According to the present study, banking organisations do not differ from petroleum organisations when they shift the focus of their TM to the "inclusivity of local people". This would make sense as both sectors require the same institutional process of appeasing government as a primary stakeholder by promoting this newly inclusive culture. Yet the present study demonstrates that there remains a difference between these two sectors in terms of defining who can be considered talented in nature. For example, banking organisations have associated the concept of talent with "high potential", whereas the petroleum sector tends to define talent from the perspective of "critical skills and abilities". These commonalities and differences among the four organisations with respect to how TM is conceptualised are explained by different layers of institutional factors at both the inter-organisational and the individual level under manager norms.

The data suggest that one implication of the Omanisation (nationalisation) policy is the effect of the competition created between organisations. This increase in competition, as a result of institutional pressure, in addition to the scarcity of graduates mentioned in the previous section (9.2), has arguably encouraged managers to shift from an exclusive approach. While the previous exclusive approach (see Chapter Eight) scrutinised candidates for key talent attributes, organisations now appear to focus on a broader recruitment strategy that focuses on processes that develop potential talent throughout the course of an employee's career. This effect has notably been observed in the case of Haskins and Shaffer (2010) who explore varying methods of developing talent within a company and then build upon this by describing the importance of "controlling the demand-to-supply gap through an optimal equilibrium between recruiting externally and developing talent in internal candidates" (Cappelli 2008).

Furthermore, some of these deeper challenges within the local labour market have also been associated with high youth unemployment and a lack of a quality higher-education curriculum. In line with the institutionalist view, the various political (government regulation), economic (labour-market conditions) and social (low quality of graduates) factors that exist within the Omani context have presented organisations with an opportunity to engage with TM as a strategic tool. As a result of these institutional pressures, organisations are able strategically to optimise their outer cultural image as being inclusive of local applicants so as to draw the support from the government that is offered under this policy. However, the institutional challenge of a scarce talent base within the youth labour market has resulted in a focus on the processes within the talent-identification process (Collings et al. 2011). Here, the findings of this study do show that organisations have adapted their TM programmes so as to capture as much of the talent base that is available. Within the context of the banking sector, one could argue that, for an employee, the prospect of having an organisation "develop" one's talent throughout the TM process, without necessarily needing to exhibit key attributes when first employed, may act as an incentive for local applicants who may otherwise be deterred by the Islamic social stigma of working within the banking sector. Indeed, in the previous chapters (Five and Six), the managers report that the banking sector faces difficulties in attracting local qualified workforces because of the commercial concept that applied in this sector but which is prohibited in Islam. Thus, they feel that local workforces view the



banking sector as the last choice for employment. This could mean organisations being able to compete not only on the effectiveness of their TM in achieving the Omanisation percentage by identifying these attributes (Goodliffe 2005), but also on how effective their internal TM processes are at developing talent and subsequently incentivising local applicants with the prospect of an engaging long-term career.

In addition to these institutional challenges, pressures such as Oman's increase in competition not only stem from the government's Omanisation policy, but also from strong labour unions that promote the rights of employees. Consequently, the participants in this study believe that these unions have played a major role in shaping TM. Oman's culture and historical roots also appear to play a role in shaping these practices. This relates back to the traditional *wasta*/nepotism common in Middle Eastern practices, as highlighted in Chapter Two, whereby individuals are often selected for top positions based on social connections, tribal identity and political stance (Parnell and Hatem 1999). One could therefore argue that this social phenomenon has also contributed to engaging and shaping TM practices within these four case organisations in terms of how talent is identified and developed. However, the more that organisations focus on the effectiveness of talent-developing processes so as to compete more effectively, as described above, the more a further challenge is presented to hiring talent traditionally accustomed to being allocated a given level of management based on this *wasta* precedent rather than being subject to the systematic approach that this institutionally driven TM approach would provide. These factors have collectively led organisations to tailor their TM so as to focus mainly on local Omani employees.

Mimetic pressures also appear to be a strong influence in shaping these practices, as a result of the growth in the number of small firms in Oman, as well as the influence of inward foreign investment (Mina 2009; Abu-Ghunmi and Larkin 2016). From the data in this case study, these factors appear to indicate an increase in the competition for new talent among these organisations. In observing the introduction of these mimetic forces, it can be seen that they will also be influenced by Oman's strong government sector which has more resources to engage with TM practice and to shape the perception of a less pressured work environment. Arguably, this powerful sector raises the bar for

organisations across different sectors (Al-Muharrami et al. 2006). Moreover, within the context of this increasingly competitive TM environment (Gallardo-Gallardo et al. 2013), the challenge of emulating the government's less pressured workplace setting within a more competitive environment, encouraged by these competitive TM programmes, provides examples of how these mimetic pressures are influencing these organisational practices. This could also be considered as a competition between organisations in their talent-developing processes and also as a competition between employees who are competing for these increasingly attractive positions. The data shown in the previous chapters (Five, Six, Seven and Eight) and summarised in Table 9.1 shows that the characteristics of TM among the four organisations feature a similar and overlapping TM strategy, such as the TM approach and the mechanism used to develop local talent. This explains how these organisations mimic the best practice that could respond and fit into the Omani environment. Indeed, the findings indicate that organisations within both the banking and petroleum sectors respond to the institutional environment by deploying an inclusive, localised TM system. However, these organisations also appear to respond to their own strategic requirements by adopting the exclusive approach. They thereby mimic the best practice from the successful organisations.

*“... So really, when you talk about [PB] and you talk about [SH], what they are doing, I do not think they (are) doing very different, conceptually, they are doing, I think, similar...”* (TM advisor 1, BA)

*“... everyone in the company is talent: how you develop them, how you move them, how you progress them, and so on, depends on how far they get. Someone who is considered top talent will have more involvement in terms of development than someone who is at the bottom of that talent spectrum, so if you talk about top talent, how we define them, we actually have a very structured internal process...”* (Strategic Director, PB)

The above statements suggests that all firms look very similar in their TM systems and involve themselves more proactively in developing the best talent. As suggested earlier by Sidani and Al Ariss (2014), the coercive and mimetic pressures operate in opposite directions in GCC in terms of TM. In the case of this study, coercive pressure pushes the organisations to consider only a local

workforce in TM that sometimes does not produce efficient TM processes. Thus, mimesis, on the other hand, drives the organisations to look at the best TM practices and to try to implement them. The managers in this study emphasise the importance of differentiating employees according to different development opportunities, as encouraged by Oman's nationalisation agenda. It should also be ensured that processes are optimised within the TM of an organisation so that top-level talent is allocated to strategic positions.

This indicates that the four case organisations are forced to deploy a form of inclusive TM, but that this coercion only goes so far when organisations seek to maintain control of who is considered "truly talented". Here, it is suggested that the meaning of talent in these organisations is also influenced by the tension between two conceptual models: inclusive (acquired) vs. exclusive (innate), as suggested by Meyers et al. (2013). On the one hand, talent is seen to be acquired through different developments that grant everyone an opportunity in terms of TM because of structural influences. In turn, these internal processes would strategically respond to external demands and institutional pressures, enabling Omani firms to access a broad pool of prospects with an internal, process-based advantage. On the other hand, there is also the view that talent is based on the differentiation of employees through performance and potential, suggesting that talent may also be innate at certain stages of the TM process:

*"... everyone is aware of the criteria and the trajectory required to become included in the selection process. Everyone feels that it is an inclusive process, and not exclusive, so people are aware about how this is achievable, what the opportunities are and what the criteria are for getting selected throughout each stage. One definitely will not have the ability to provide sufficient resources to develop everyone. The resources have to be put in place where you get the best results and this is why it becomes exclusive. So the process is inclusive in the sense that the process identifies everyone involved throughout the process..."* (Learning and Development Advisor, BA)

Therefore, as a consequence of these empirical findings, each case organisation appears carefully to design its own criteria so as to identify talent for each level. For example, the data from the previous sections (5.5, 6.5, 7.5 and 8.5) indicates that the four organisations use different assessments for identifying talent at each layer within their respective TM process and that the identification of talent across

the four organisations is also varied, as is apparent in Table 9.1. Additionally, the differences within the assessment criteria are best explained by the internal characteristics of these organisations (succession plan and business need). Consequently, these internal characteristics have influenced how these organisations can identify the appropriate talent.

An example of this would be the competency frameworks applied by BB and PA for unearthing talent. Within these frameworks, PA uses competency profiling, through the job-profiling process, for each initial position, whereas BB focuses on behavioural competency as the main indicator for allocating appropriate talent. Thus, this suggests that the identification stage and its criteria are linked to the underlying structure and needs of each organisation in order to attract and retain talent. Given this relationship, the data could therefore provide further support as to the importance of considering an organisation's social capital (Collings 2014) as it seeks to survive. The social capital of an organisation includes the organisational culture and the social support and trust that should be tailored according to the characteristics of an organisation in order to facilitate an effective system. The findings also indicate that organisations not only focus on the *creation* of value but also on how to capture this value through mobilised and coordinated processes (Sparrow and Makram 2015). Based on the findings of this study, this could also be understood under the perspective of strategic balance (Deephouse 1999) where the organisations struggle to strike a strategic balance between conformity (being similar) and differentiation. In the present study, the organisations deploy an inclusive local approach in order to gain legitimacy, but try to become efficient by applying different techniques in identifying and developing talent that might enhance their economic sustainability.

However, as noted in Chapter Three, scholars such as Silzer and Church (2010) have argued that the assessment practices used by organisations to distinguish talented from less talented individuals are based on performance or ability tests that have been challenged because of the fact that these assessments may not capture all aspects of an individual's capabilities. For example, the application of psychometric testing has been criticised by scholars Ruban and Reis (2005) within the current literature on talent. As part of this criticism, a more multidimensional conception of talent is advocated through the use of multiple

intelligences based on different human functional areas. Therefore, the participants in this study believe in the importance of having multiple assessors to identify and assess the right talent in order to enhance the effectiveness with which talent is managed and developed. Here one notices that multi-source assessments are necessary for organisations to reduce the bias that may arise from using only one assessor. As a result, the assessment process should be conducted by combining tests, self-assessments and the use of peer-reviewed and supervised instruments, especially at the stage where talent is identified (Nijs et al. 2014).

Furthermore, Nijs et al. (2014) argue that assessing performance, abilities and non-cognitive aspects (motivation and interest) as components of talent within the context of a professional working environment is necessary to prevent bias and to provide equal chances for each employee. Considering this context, this suggestion may also apply in the case of this study; the managers highlight that, they depend on line managers and other tests (e.g. psychometric testing) to identify and assess talent effectively. Given the current assessment methods of these case-study organisations, this would suggest that the organisations should instead consider multi-source assessments to identify the correct talent and to maintain the effectiveness of their TM programme.

Moreover, the data illustrate that coercive pressures among these four case organisations lead to mimicry, but it also shows that they need to be combined with other formative influences before impacting on norms and creating normative pressure. These formative influences include Higher-Education (HE) establishments that, as yet, have not produced an adequate source of talent from which organisations can draw on effectively. Furthermore, although these pressures do contribute to shaping TM practices, they too appear to experience the consequences of coercive and mimetic pressure from the external environment. Examples of these pressures would be legislative and government-based initiatives that force change in the development of indigenous human capital. Collectively, in conjunction with these pressures from within the local labour market, this has resulted in normative pressures, forcing the creation of managerial structures and systems that will adapt to Oman's idiosyncratic social and economic landscape (Al Amri et al. 2016). The quote below shows how the

organisations attempt to tailor their TM systems in order to respond to coercive and mimetic pressures:

*“... engaging these resources into an organisation’s culture and system... thus, the design of TM is embedded within the culture and structure of the organisation; this helps to tailor our own talent that ultimately achieves best results...”* (Strategic Director, BA)

This extract from the BA director explains how the organisations behave in a certain way in response to specific contextual factors such as government regulation (e.g. Omanisation) within their unique professional setting. In the case-study organisations, the managers indicate that the TM process is matured around unique organisational capabilities and structures that help to support their succession plans and then ultimately enable the organisation to survive and gain legitimacy. The participants also state that, they aim to control the bargaining power of their employees in response to institutional pressures as well as the influence of the constrained labour market:

*“... the labour market does not help because there is a lack that means I have to pay more, I have to steal from other banks and pay a lot of money, okay? So what our strategy said is: get from fresh graduates, push five or 10 in different areas in every group, maybe if you need five, you do more than that, let’s say 10 with the assumption that the five you will lose them, okay? And develop them and push the people that you have currently to take the higher responsibilities, okay?”* (Strategic Director, BB)

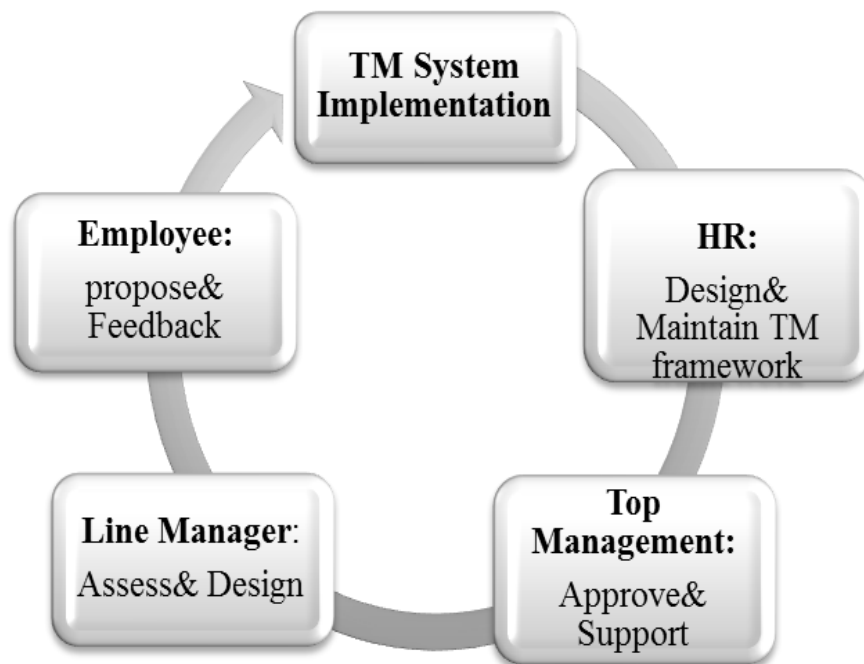
This extract from the BB Strategic Director could be interpreted as indicating that a talented workforce may, in some cases, be able to accrue a negative balance of power over their organisations. For instance, this could mean requesting higher salaries through knowledge of other workers, or perhaps threatening to leave the organisation and join competitors for a higher wage. Furthermore, individuals who possess the qualities of high potential, as well as generic capabilities that are valuable to many other competitors, may be more difficult to retain. This would mean that such an employee may leave the organisation once an attractive offer from a rival is presented to them, a fact alluded to by the BB director who states:

*“I have to steal from other banks and pay a lot of money, okay?”* As a statement, this clearly refers to this manipulation among new recruits.

Therefore, it appears that organisations do need to engage and embed their own talent in their own unique systems in responding to these environmental-social factors. Furthermore, the study demonstrates that the influence of coercive pressure (e.g. culture: *wasta /entitlement*) has impacted on the organisations' beliefs and values in terms of the importance of involving different constituents (e.g. top managers, HR, line managers and employees) in a way that will maintain the effectiveness of TM systems. This explains how organisational actors perceive the involvement of different constituents as a vital factor that will fit and become customary within their professional context in a way that will balance the power of contextual factors.

The participants in this study highlight that the implementation of TM systems and their effectiveness is dependent on the different roles of constituents' involvement. The main constituents and their roles in TM identified in the present study can be classified into four internal segments: top management, HR, line managers and talented employees. When involving constituents in the context of Oman's increasingly competitive environment within these two case industries, it is clear that all four case organisations are aware of the need to meet the expectations of multiple constituents. However, as well as meeting constituents' expectations, these organisations have also been observed to compete for status and reputation.

**Figure 9.1: The Involvement of Different constituents in TM across Four Organisations**



In this diagram, the four main constituents involved in the implementation of TM are highlighted. Here it is notable that the role of top management within TM systems is to support and approve the budget for TM programmes. Indeed, all participants within the four organisations emphasise the importance of involving top management in their TM systems, highlighting the fact that one of the main reasons why organisations have successful TM systems is that they receive support from top management. Moreover, this support from top management is further indicated as how the “system starts from top to down” by the BA advisor in the extract below:

*“... I can say that our talent-management system starts from top to down and we have systems in place for each level from junior employees to middle managers, senior managers and management executives. Our management is very supportive to have these things in place because they believe that they need to groom from inside the organisation, especially for those people who have capability or can take (on) more responsibilities... they are really supportive...” (TM advisor 1, BA)*



From reading the above extract, the involvement of top management appears to be considered a vital factor determining the existence and success of TM systems for these organisations. It also represents explicit support for the implementation, through budget approvals, of TM practices. All participants indicate that their TM practices required a significant budget and that, if top management failed to believe in the importance of their TM systems, the required systems of TM that depended on this top-management support would cease to exist. The importance of this support is incidentally mentioned by one of the directors of the PA organisation who said: “... if you talk to me about 2003, 2004, no, they did not support, it was very difficult, so the success of the talent management depends on the support of the top management...” (Strategic Director, PA). Given this importance of top management, individuals within top management should therefore be inextricably involved as key constituents as TM is being implemented. In particular, top management appears crucial considering the level of influence that these managers represent in terms of both human and financial resources and also their processes. Indeed, given its instrumental role, one of the four organisations, BB (Section 6.3), has included their top management in the TM practices of the organisation in order to encourage other employees to accept the TM system. As predicted, the support coming from the introduction of this top management translated into an implementation of TM that sought to emulate the advanced problem-solving and creative qualities that these influential managers themselves possessed.

The findings support the arguments of scholars who have stressed the importance of strategic support when TM is implemented in an organisation, as well as stressing its importance for the organisation's success (Stahl et al. 2012; Skuza et al. 2013). The results of this study also support Zhang et al. (2015) who found that the style of leadership had a significant impact on whether TM was implemented successfully. Within this study, Zhang et al. (2015) indicate that the decision of talented employees to remain employed by a company has, to a great extent, been correlated with leadership style. Furthermore, Latukha (2015) highlights the consequences of low integration of top management in the implementation of a TM system, with Russian organisations that failed to provide essential support and investment at this level illustrating the role of executives in implementing a successful TM system.

Because of these studies, it can therefore be argued that recognising the importance of supporting top management when implementing TM systems within these case organisations has become an essential factor in ensuring an effective TM process. This also explains that the high integration of top management in the development and implementation of a TM system in Oman does provide vital support for, and investment in, local talented people.

Meanwhile, it should also be noted that line managers and employees are the main drivers of how TM is implemented: “... of course line managers and the employees are the most important actors in TM implementation...” (TM Advisor 1, BA). The TM Advisor believes that providing line managers with the role of designing the development programmes for their employees will help the organisation to allocate the right form of talent-development programme at each level. Line managers are also useful for achieving strategic goals of the organisation as they are closer to the employees than are HR or top management, which in turn highlights the importance of the role of line managers and their involvement within TM systems. As the “most important actors in TM implementation”, it is apparent from this statement that line managers play a role in organisational career development through developing the career skills of their employees. This, in turn, means that the nature of this involvement from the line manager may have either a positive or a negative impact on the employee’s career as the career development of these employees is subsequently dependent on the nature of the line manager’s interaction. This high involvement of line managers within the TM process may lead to subjectivity bias as an organisation attempts to seek the correct talent. Incidentally, this issue is highlighted by one of the respondents: “... if your manager is no good, you may not get a good appraisal...” (Talented employee 4, BA)

In considering this statement, this result also appears in line with previous studies that have suggested that line managers often lack the HR skills and knowledge to devolve responsibilities such as the role of identifying employees for career development (Perry and Kulik 2008). Consequently, these results indicate that this threat of subjectivity among line managers may distort the talent-identification process. On the one hand, this could mean that a closer relationship between the line manager and his/her employees (unlike that between upper management and this level of employee) could result in some employees being wrongly

promoted to a higher level in the TM process because of an overly positive subjectivity bias of the line manager. However, this could also mean that a negative bias caused by this closer relationship may result in otherwise talented employees not being promoted to an upper level.

The data also shows in the previous chapters (sections 5.4, 6.4, 7.4 and 8.4) that talented employees play important roles in designing the TM system. This is achieved by talented employees proposing their own development through Individual Development Plans (IDPs) and then discussing them with their line managers as well as sharing their views on how to make the system more efficient. In turn, this means that HR cannot work in isolation in respect of the TM system. Accordingly, HR plays the role of facilitator among three different groups: top management, line managers and employees. Moreover, the extract below supports this role of HR in the TM process and the design earlier identified by Sparrow et al. (2013) that has been shown to facilitate successful TM:

*“... we take (and) involve those four segments: the top management, the line managers and the employees and, of course, HR will play the role of facilitation between these three segments...” (HR Manager, BA).*

What the data of this study particularly indicate is that HR plays a mediating role between different sets of constituents: top managers, line managers and employees. The results support the earlier argument of the role of HR being a central player in the enactment of talent management. In describing this significance of HR, Farndale et al. (2010) argue that top management, HR and line managers play important roles in TM and also that there are underlying assumptions that all these actors within an organisation share mutual goals and interests. The findings of this study suggest that enhancing constituents' involvement within the TM-design process of an organisation requires the creation of a strong constituents network, from the top level down, across the organisation as a whole.

However, the managers in this study also indicate that having different constituents involved in the TM process may result in different and conflicting views on how it should be implemented. An example of an area where conflict could arise would be the selection of a specific approach to managing employees

(inclusive vs. exclusive) and also the selection criteria such as age or experience level. However, in order to reduce these conflicts that might occur among constituents when implementing TM, the participants across the four organisations believe that managing these different views/conflicts can be achieved by the following: adopting strong governance by setting clear objectives, communicating these objectives appropriately and then explaining the importance of the TM system to the strategy of the organisation:

*“... the implementation, of course, you can imagine would be, you know, challenging but you have always (to) be guided by what the company is trying to do... we have (a) very, very structured governance process in managing different views in terms of TM... sometimes we disagree with each other and we just call it creative process, but eventually, through proper governance, we actually agree on something and we have review cycles, you know, we try out because we are working two years, we review it.”* (Strategic Director, PB)

From the manager's perspective, having these different views on the TM system is essential as they will enhance its effectiveness and they can be achieved through effective communication between constituents. Therefore, the managers in the present study describe TM in their organisations as a “scientific approach” as it has clear assessment criteria and involves different constituents as well as support from upper management. These characteristics of TM have been highlighted earlier with the argument by Thunnissen and Arensbergen (2015) that TM can be characterised as “the systematic identification, selection and development of talent in a structured and enriched programme of activities and instruments in which multiple actors are involved and assert influence” (p. 25). Accordingly, all participants (management, line managers and employees) believe that the success of the TM system within the organisation relies on the different involvement of the different parties. This assertion was made after one of these organisations had experienced an ineffective TM system previously, which was the result of ineffective involvement by the different constituents:

*“... it will just remind the same, that beautiful picture, unless you still, unless you have the human connection to it, so it... still means... if I look at it, talent management still needs a supervisor... without the human intervention ensuring that happens, TM will be just very, it just became very static, it becomes very hard, it is going really to limit the TM effectiveness. So you need the human interaction...” (TM advisor 2, PB)*

Therefore, the new version of TM in PB emphasises the importance of involving different constituents in the implementation of TM. The findings of this study support suggestions in the TM literature that involving different parties across organisations will produce an effective TM system (Collings 2014; Farndale et al. 2014). Indeed, in this study, all the participants assert that involving different constituents, from top-management to employee level, produced an effective TM system. Prior research, such as Thunnissen and Arensbergen (2015), found that TM was determined by an organisation's environment and by its interrelated actors and, specifically, that the impact of supervisors and managing professors was significant. This, in turn, suggests that the involvement of the interests and talent philosophies of different actors are important throughout the TM process.

Previous research (Sturges et al. 2010) also argues that effective career management involves a certain partnership between HR, line managers and employees within organisations. There has been a recent investigation into the extent to which the relationship between employees' perceptions of their supervisors' people management, and their own behaviour external to their role, is mediated by the abilities of employees as well as by their commitment and autonomy (Knies and Leisink 2014). The study (Knies and Leisink 2014) found that the support that employees perceive from HR practices does, in fact, have a positive effect on these abilities, in addition to providing a significantly stable career path. Furthermore, it was found that the leadership behaviour of their supervisors had a significant effect on their commitment. This reveals that the people-management activities of line managers do have an impact on the behaviour and attributes of employees. The findings of the present study provide further support that TM should consider not only the content of TM practices but also management support and the role of supervisors in their implementation.

Thus, it can be argued that the normative pressures in the Omani context operate in direction with coercive pressures in which the organisations' decision-makers

perceive social and cultural factors as the way to develop the internal structure and culture through the involvement of different constituents in order to have effective management of talent. This also suggests that the involvement of different constituents in TM may minimise the biases of line managers and decision-makers in terms of the selection process, which may ultimately effect the employee's career development. At this point, the above findings demonstrate that these organisations are responding to external environmental occurrences, followed by a formation of legislation on how TM should work within organisations and meet the different interests and expectations of internal constituents. This also suggests that the involvement of constituents in TM processes indicates the shift from an authoritative and centralised managerial system (Budhwar and Mellahi 2006) (e.g. organisations' decisions), one which involved only the top management level, to a more democratic and multi-actor based involvement. This again explains how these coercive pressures influence normative pressure (e.g. organisational behaviour) to change centralised managerial strategies to fit effectively in their contextual settings.

The different pressures identified in this study are in line with Institutional theory (DiMaggio and Powell 1983) which suggests that there are three distinct pressures (coercive, mimetic and normative) that influence an organisation's action and strategy when faced with the need for new talent. For example, in order to be legitimised, organisations are required to adapt their practices to the context of the rules and requirements of the institutional environments in which they operate (Boon et al. 2009). Building on this, this study will extend and emphasise the role of coercive pressures (government and trade unions) in forming subsequent mimetic and normative pressures within the Omani business environment.

Furthermore, this study shows that the difference in the business environment in which each sector operates has produced differences in how talent is defined among these four case organisations. In contrasting these, one finds that banking organisations refer to talent as "high potential", which again relates to the need for the Omani banking industry to have local leadership in their organisations, whereas the petroleum sector tends to define talent in terms of "critical skills" as a result of the emerging volatility experienced within the oil-industry business

model. This indicates that organisations that operate within the same business context will follow a similar method of defining and evaluating talented individuals (Gallardo-Gallardo et al. 2013; Thunnissen and Arensbergen 2015). Thus, just as Scott's (1995) framework demonstrates the importance of adapting an organisation's talent management to external pressures, it has been suggested that the condition of the business environment that exists in each sector has played a role in shaping approaches and the ways in which talent is defined (Sparrow et al. 2014). This also implies that the meaning of talent in these two sectors may change over time in response to future changes that arise from this business volatility. Moreover, the result of this study falls in line with the Institutional view which implies that, if institutional pressures are sector-specific, isomorphic mechanisms will lead to fewer differences in organisational strategies within the same country (Kostova and Roth 2002).

However, the findings of the study also demonstrate that the size and type of an organisation play a role in shaping and differentiating the meaning of talent across organisations, particularly in the case of petroleum organisations PA (small joint-venture organisation) and PB (large joint venture). This suggests that the definition of talent is influenced by different internal (e.g. type and size) and external (e.g. business environment) contexts. Additionally, this finding highlights the importance of analysing the influence of features within a given sector in regard to how TM practices are formed. Following this argument, this would suggest that the presence of TM is determined by these institutions and by the different ways in which these institutions have also caused issues in TM practices in terms of how the workforce in each business is supplied. In addition to the regulatory optimisation for these norms under Scott's (1995) framework, this would mean that future efforts to capture talent within the local Omani area will mean an optimisation of internal processes so that organisations are able to retain talented individuals within the culture of the company.

This study also suggests that, while sociological approaches to institutionalism (new or neo-institutionalism) explain how TM has been developed differently for different target settings as a result of these pressures within the Omani economy, historical institutionalism also appears to play a significant role (Al Amri et al. 2016). This suggests that TM is dependent upon the country's historical roots, on the preferences of these formed practices and on actions – as well as on a more

actor-centred form suggested by Morgan and Hauptmeier (2014). When considering the role that talent management has in allocating local Omani workers to a range of different positions, according to the merits evaluated and improved through each TM system, mitigating the influences of traditional nepotistic values on employee relationships appears to be highly important. Within the context of the petroleum industry, the importance of rewarding employees according to merit and the number of skills required by this dynamic sector presents a challenge when recruiting Omani talent. This more holistic approach is central to the discussion of TM, as the nature of the institution and what it seeks to achieve is seen to produce a ripple effect of events throughout the entire system. Here one can see that it is not enough to consider TM in isolation without considering the historical and social ecosystem in which it exists.

Overall, this study indicates that historical, sociological and more actor-centred institutional pressures have manifested themselves by engaging the TM process as well as by creating an inclusive localised TM in both these sectors. Furthermore, the findings presented in this study have provided further support that institutions do, in fact, play a role in shaping the strategy of TM, further corroborating the work of Festing et al. (2013), Sidani and Al Ariss (2014) and Tatoglu et al. (2016). Together, this has provided strong indication that an organisation's ability to attract talent is indeed dependent on "internal and external mimetic behaviour" that alters an organisation's culture so as to attract new talent. However, it should be noted that these past studies failed to examine how the different pressures of outer and inner contexts affect the influence and engagement of TM within these organisations. The findings of this study also provide support for the previous arguments mentioned in Chapter Three (Collings and Mellahi 2013; Meyers and van Woerkom 2014; Nijs et al. 2014) on the role of the organisational context (e.g. environment, culture) in TM conceptualisation; the present study also highlights how different coercive pressures and culturally specific tensions (Tatoglu et al. 2016) influence how TM is defined in each organisation. At this point, the logic of Institutional theory being behind TM is significant in the sense that it acts both as a driver of why TM exists and also as a formative influence on who should be targeted by TM programmes. Furthermore, this theory provides organisations with the appropriate measures to take when seeking talent belonging to a specific cultural background, as



mentioned above (inclusive and localised TM). Collectively, this evidence therefore provides a strong justification for adopting Institutional theory within the present study.

#### **9.4 The Implications of institutions on TM in the banking and petroleum sector organisations**

On the basis of the findings from the cross-case analysis presented and discussed above, this section will now move on to discuss the implications of Institutional theory and how this impacts on the conceptualisation and operationalisation of TM.

Organisations are embedded within an institutional environment that influences the structures and policies that they implement (DiMaggio and Powell 1983). From an institutional perspective, the conceptualisation and operationalisation of TM remain constrained within the limits of the regulation, the trade unions and the culture of the country in which TM is implemented. As a consequence, TM is further formed by influences such as the labour market and institutions of higher education. Within these four case organisations, subject to different business environments (banking and petroleum), much of their approach to TM appears the same. Moreover, it has further been suggested that TM, as an institutional activity, is the result of interrelated pressures (coercive, mimetic, normative and other formative factors). These results therefore provide indication that the implementation of TM depends on its degree of compatibility with the institutional environment. Factors such as the government-imposed policy of Omanisation, the influence of trade unions, the cultural practices unique to Oman and the democratic features of the local labour market have led these organisations to tailor their TM programmes to the pressures that these institutional factors present.

As a consequence, the influence of different institutional layers have several implications in terms of TM for organisations within the banking and petroleum sectors. The data that obtained from the interviews within four organisations illustrates how these organisations have attempted to balance institutional pressures with internal factors to survive in the market. The differences between

what is good for the external environment (such as the government, trade unions and the country's culture) and what is best for the organisations has been observed to result in a differentiated approach to TM architecture between the banking- and petroleum-sector organisations. These different TM architectures appear to include all Omani employees, but they stratify them at different levels in accordance with their developmental needs (for example, the creation of new graduate programmes aimed at early entrants to the labour market and professional programmes for managers and longer serving employees). As explored in this study, this stratification is based on demographic factors (e.g. age and nationality) such as experience, work performance and perceived potential. Such measures have revealed an emphasis on certain key enabling factors of Oman's TM system and are related to the expectation of fairness and transparency in the design and delivery of TM programmes. Also, performance and potential are observably "measured" by clear selection criteria and open communication in an attempt to ensure that the TM system remains as objective as possible. Observers are therefore able to determine how TM systems are designed and implemented. This observation provides an opportunity for those not immediately included in the talent pool to understand the performance requirements required by this pool of talent and it encourages them to improve their performance as a result.

One also finds that the four organisations in this case study use different assessments in the identification stage in order to allocate each employee to the right talent level within their TM systems. Section 9.3 noted how differences in terms of assessment criteria are best explained by the mimicry pressure as influenced by the coercive pressures (e.g. government regulation and trade unions) which have shaped how each organisation selects the right talent, i.e. by using competency frameworks or competency-profiling methods.

In effect, this is substantiated by the literature which demonstrates how talent is often measured in an organisation through a competency framework that differentiates employees of high potential from those who are less talented (Sparrow et al. 2013). The application of competency frameworks in these organisations also suggests that organisations follow the Western understanding of what TM should be (Skuzza et al. 2013). Incidentally, this may explain the tendency of the case organisations to be consistent with macro-level contexts as

these would better enable them to interface with, and compete within, the global market.

Furthermore, Section 9.3 also demonstrated how these case organisations do not simply allow institutional factors to shape their practices but actively design the right practices that best suit their inter-organisational contexts (Scott 1995). Arguably, this highlights the important link between the context of the organisation and the influence of external factors on the choice of a specific strategy (Camelo-Ordaz et al. 2003; Vaiman and Brewster 2015). Thus, the managers report that their organisations have shaped specific assessment criteria that can respond to both inner (e.g. strategy) and outer (e.g. government regulation and competition) contexts when identifying and allocating talented employees. These findings give an indication of the importance of considering the institutional layers and of which decisions are made in terms of TM practices.

Thus, the findings reveal that the assessment criteria within TM systems are dependent on social-cultural factors (coercive) and on the organisational strategy with the involvement of constituents (normative). Here, what is interesting is the tendency for organisations to build upon an objective strategy rather than a subjective base when identifying the right talent for senior or leadership positions. Also, organisations may have developed these assessment criteria to maintain consistency with aspects of the organisation's context; however, these criteria still reveal an embedded cultural issue which these organisations are striving to change.

One of the reasons why this identification stage is particularly important within the context of Oman-based organisations, as discussed in Chapter Two, is the nature of management practices conducted under *wasta* principles (Budhwar and Mellahi 2006). Here one sees that the practice of *wasta* within the workplace is the main factor that negatively impacts upon the development of HRM in organisations based in the Middle East (Yahiaoui and Zoubir 2006). The principle of *wasta*, the encouragement of the use of personal connections for professional means, is still acknowledged as a commonplace influence within the recruitment and promotion process. As mentioned in Chapter Two, the previous studies on HRM in the Middle East, such as Al-Zufairi and Al-Enezi (2003), demonstrate how performance-appraisal practice in the organisations can be internally influenced by external socio-cultural factors. Here one sees that this often results in

performance appraisal not being taken seriously, as it is mainly influenced by the bias of a personal relationship outside the workplace setting. Unfortunately, these appraisal results are in turn used for administrative, developmental and strategic purposes. Furthermore, performance reports produced when evaluating these employees are often confidential, wherein employees, who may otherwise question this exaggerated positivity, lack the right to compare these recorded performance results with their own acknowledged efforts and motivation.

As mentioned in Chapter Two, Budhwar and Mellahi (2006) conclude that the performance-appraisal process in Middle Eastern organisations can effectively be characterised as traditional (carried out by supervisors), authoritative and centralised, but most importantly, subjective in nature. One could argue that this perhaps constrains the ability of HRM practices to play a strategic role within these four case organisations, even while having other effective recruitment strategies. Here one also sees that the precedent of a *wasta*-based employment decision in management practice has also contributed to youth-unemployment rates (Lanvin and Evans 2015). This is the result of young people not believing that otherwise ideal job choices could be accessible to them because of the lack of personal connections in that particular company. This might also appear as an obstacle to organisations when seeking to identify the required talent for their businesses as the *wasta* precedent could deter viable candidates from dealing with otherwise eager recruiters or managers because of this lack of personal connections.

In addition to these other influences, one also finds that adopting a differentiated TM architecture has a positive impact on employee commitment and engagement. It was clear from all staff members who took part in this study that TM has a positive impact on their organisations and on employee commitment in particular. The participants at different managerial levels in the four case organisations highlight the fact that successful TM systems have helped to achieve the Omanisation percentage (90%) at certain levels such as leadership positions, especially in the banking sector. For example, the managers indicate that the banking sector has now achieved a success rate of 93% in placing Omani people at different levels of management, as indicated by the management group. The managers believe that this success in meeting this goal can be linked back to the well-structured TM systems that have provided a variety of different

development and training programmes. Moreover, in the second case organisation in the petroleum sector, (Campbell) mentioned that the introduction of the TM system within the organisation had helped to decrease employee turnover from 7% to 0%, which indicates that the implementation of TM has led to higher efficiency, as well as motivating employees entering the company. Lastly, in all four organisations, participants report that TM had positively influenced the behaviour and attitudes of employees; for example, employees have been observed to become more punctual and their productivity has increased, even in harsh surroundings (e.g. oil-fields in the desert).

The data also demonstrates that the commitment of talented employees does indeed increase when the organisations inform them that they have been identified as “talented”, which also aligns with the assertion of Björkman et al. (2013) that the act of informing talented individuals of their perceived status from upper management has a motivational effect that translates to a more effective talent-management process. In addition, the results of this study highlighted that the talented employees in the organisations relate their commitment directly to the talent-management programme; for example, some talented employees mentioned that *“if the TM journey were to stop in the future, I may have to leave the organisation”* (Talented employee 2, PA). This might be a clear indication that TM practices have become the main tool for retaining and increasing the commitment of talented employees. Conversely, this result also aligns with Aryee (2004) who argues that the absence of career development has, in fact, been correlated with a loss of trust in the employment relationship and therefore an increased likelihood of seeking other employers. This implies that TM has helped to retain and motivate talented employees and has translated directly to a reduction in turnover rates among local employees: *“with the turnover, for example, now at 0%, our percentage is below the market, as well as the market line. We can say our turnover has reached below the market line...”* (Line Manager 1, PB). Because of these results, it can be argued that TM practices have become an important strategic focus for organisations to achieve business growth and that *“Talent management is something special that could truly help your organisations; an implementation that could save a lot of time and money while also increasing resources that add direct value to business growth...”* (Strategic Director, BA). However, there is a need for a wider study across a

larger number of employees to assess further and to evaluate the impact of TM within organisations.

Moreover, it was found that the TM practices within these organisations are used as a tool to attract talented individuals from the labour market. In particular, this tool is used to attract local people who tend to hold a social bias towards work in the public sector when compared with private organisations (Al-Lamki 1998; Al-Ali 2006; O'Sullivan et al. 2011; Al-Waqfi and Forstenlechner 2014). However, all participants from the group of talented employees within these four organisations indicate that their preference to work within the private sector was because of the opportunity for career development, which in this case was the TM programme. This would suggest that, while the preferred employer may have previously been the public sector, the majority of younger applicants now prefer to work within private-sector organisations. This is because of the development opportunities and career paths offered through these TM systems and it further supports the notion that there are now distinct differences in needs and expectations between generations, as covered in Section 9.3. As a result, this may give a good indication to policy-makers in the government and in private-sector organisations of the need for more local people within the private sector through the provision of more development opportunities and career paths, especially a TM programme. Additionally, this finding highlights how the differences in generations might influence management practice in general and TM practices in particular.

It should be further noted that TM has also improved performance by eliciting cultural change and strengthening public perception that progression to upper positions can, in fact, be based on specific criteria rather than the subjectivity found under *wasta* values (Parnell and Hatem 1999) whereby people are often selected for top positions based on social connectivity, tribal identity and political stance (Budhwar and Mellahi 2006).

In addition, the respondents from the four organisations indicate that one of the constraints that might affect TM effectiveness is the influence of an entitlement culture in which people believe that they deserve a position more than others as a result of age or experience. This effect has also been stated by Sidani and Al Ariss (2014) who argue that one of the main factors influencing the effectiveness

of TM within the Gulf region is this culture of entitlement. Thus, the participants in the present study indicate the importance of having a clear and transparent assessment method in the TM system, which they believe may produce changes in performance culture. Also, one should recognise that this perceived fairness and transparency provides a sense of distributive justice and, when combined with the involvement of key constituents, sustains the TM system and fosters a stronger sense of employee commitment within an organisation. By achieving this, one finds that organisations are able to manage the expectations of their employees and are, at the same time, presented with a sufficient pool of indigenous technical and leadership capabilities that is able to act as a substitute for those in the prior expatriate labour force.

Thus, these results have highlighted specific characteristics of TM among these four organisations: first, that TM has a strategic focus integrated with all business processes; second, that it also has clear goals and objectives; and third, that transparency and successful outcomes are key defining factors. These characteristics of TM in these organisations, incidentally, align with the suggestions made by Mellahi and Collings (2010) and Stahl et al. (2012) on what a successful TM system should look like if correctly implemented.

Yet, despite the advantages TM provides, the nature of Oman, its culture and heritage, still pose particular challenges for implementing TM. Because of this, an adoption of institutional perspective not only provides an understanding of how and why TM is enacted, but also offers a backdrop against which the challenges to the future effectiveness of the introduction of TM can be analysed. For example, the data demonstrated that the differences in attitudes, behaviour and expectations among different generations (Y, X and boomer generations) may have a negative impact on the effectiveness of TM. Generation Y, for instance, is perhaps more susceptible to poaching from competitors, which could have a subsequent impact on the initial effectiveness of TM within an organisation if its needs are not sufficiently met.

This could also have a negative impact on the psychological nature of contract-employee expectations of TM and of how TM ought to achieve its potential. Moreover, this in turn would have detrimental impacts on the performance of the organisation when failing to meet such set expectations (Sonnenberg et al. 2014).

It should also be considered that, from a social standpoint, the exclusion of non-Omani employees from TM systems may be unethical and may have a negative effect on developing TM for long-term application as well as potentially creating deeper tensions between locals and expatriates. For instance, while presenting an economic advantage for the local population, creating a systematic exclusion from TM might result in the local market being externally perceived as less attractive for rarer, specialist expatriates and result in less foreign direct investment as a result. Respondents also believe that this could have a negative impact on market growth and ultimately on the country's economic development. Perceived justice or fairness among selective and excluded groups in terms of TM does, therefore, play a key role in affecting the outcomes both for employees and organisations.

As noted in Chapter Three, multiple researchers (Marescaux et al. 2013; Gelens et al. 2014) also argue that, while Talent Management presents a positive impact on the reactions of the selected group, there may also be a negative impact on people excluded from these TM programmes. Furthermore, Sidani and Al Ariss (2014) indicate that having a two-tier system for locals and expatriates has already caused issues within organisations; for example, expatriates are easily attracted by competitors and the difference in terms of TM creates perceptions of inequality among expatriates. Lanvin and Evans (2015) also demonstrate that excluding expatriates from TM in order to develop local talent may also restrict the inflow of expatriate specialists to the local labour market. This, in turn, risks a negative repercussion on market growth and competitiveness globally. Another consequence of an inclusive Omani approach highlighted by the present study is the fact that focusing on locals will not encourage the mobility of foreign workers across the organisations; this explains why organisations may become less efficient in filling positions with the right talent in the longer term. Therefore, it can be argued that excluding expatriates from TM systems may have a long-term impact on the sustainability of TM systems. This is especially relevant as most expatriates within these organisations occupy the highest positions. These expatriate workers are sometimes line managers for local employees, which may also affect the transition of talent from expatriates to locals and subsequently lead to ineffective TM systems. Thus, one can see that it is important for these organisations to maintain a balance between addressing local and expatriate employees within TM programmes.



Although, on the other hand, the previous arguments, as discussed in Chapter Three (Collings and Mellahi 2009; Collings and Mellahi 2013), do indicate that the exclusive approach to TM often provides the most cost-effective and efficient solutions – and a survey of talent-management development (TMD) practices in UK organisations suggests that TM is targeted exclusively at senior managers and those identified as being of high potential (CIPD 2013) – by having this exclusion at certain stages in the TM programme, there may ultimately be a negative impact on those not identified as being of high potential for the last stage. Here, Björkman et al. (2013) argue that employees not identified as being of high potential are less committed and in turn subject to a higher turnover than their co-workers are. However, all the participants from the management group in the four organisations report that there is another challenge facing these organisations in adopting the exclusive approach. This relates to the exclusivity of addressing higher positions, which may create challenges for the organisations in meeting the expectations of their employees. Indeed, the data indicates that managing the expectations of employees has become the main internal challenge within such organisations as they strive to maintain an effective and functional TM system. Further, the majority of participants demonstrate that these organisations face difficulty in managing the expectations of talented employees and that they believe that these expectations have a negative impact on the effectiveness of their TM.

Because of institutional tensions with regard to trade unions, as government policies have been coupled with Omani cultural traits and perceptions about the “glass-ceiling effect” when seeking higher positions, organisations are subsequently coerced into being inclusive in the early stages of TM programmes in certain areas so as to avoid conflict and sensitivity among employees. Here, it has been found that, while these case organisations were inherently uncomfortable with adopting an inclusive approach, these coercive pressures still led to a more inclusive strategy as organisations sought support from top levels of government (Scott 1995). Furthermore, this inclusivity approach was in turn adopted within their TM programmes. As noted previously, being inclusive in the early stages of TM was viable for meeting the institutional challenges these organisations faced, but it was also identified that the four organisations actively adopted a similarly exclusive approach in the later stages of their TM programmes. Because of this, one must understand and frame the

implementation of TM within the context of different institutions as well as the differences in their organisational characteristics and in how they interact with multiple constituents. With respect to this understanding, this shapes the way in which the organisations define their TM approach in order to seek legitimacy, continuity of business and consequent effectiveness.

## **9.5 Summary**

Overall, this chapter presented and discussed the findings of the cross-case analysis. The data was collected from four private-sector organisations with two banks and two petroleum companies in Oman demonstrating that the dominant approach to managing and developing talent was through a differentiated TM architecture. This approach captures all Omani employees as well as providing them with different development opportunities. Furthermore, it appears that both macro and micro factors have influenced these organisations. These include: government regulations (Omanisation policy); competition; the labour market; and unique business needs. The data also indicated that the implementation of TM systems in these organisations retains certain characteristics: a strategic focus, the involvement of constituents, good communication and a recognition of the importance of transparency. The managers in this study therefore believe that TM systems present a positive impact on the organisations and, in particular, on employee commitment.

Conversely, one should also note that the data in this study indicates that there remain challenges that may impact on the effectiveness of TM in Omani private-sector organisations. These include generation compatibility, employee expectations and ethical issues arising from the exclusion of expatriates from these TM systems. Also, it appears that specific characteristics of TM are consistent among these four organisations: TM has a strategic focus integrated with all business processes, it also has clear goals and objectives and seeks transparency and it strives for successful outcomes. These characteristics of TM in Omani organisations align with suggestions made by Mellahi and Collings (2010) and Stahl et al. (2012) on what a successful TM system should look like.

Thus, a combination of Institutional pressures work together in shaping and selecting the appropriate TM strategy as well as its approaches.

By applying this theoretical perspective, Institutional theory has enabled us to understand the viability of TM within the Omani context. The adoption of this theory also aligns with previous arguments made by TM scholars that, if one is to understand TM and its assumptions, Institutional theory must be adopted (Lewis and Heckman 2006; Collings and Mellahi 2009; Gelens et al. 2013; Thunnissen et al. 2013a; Beamond et al. 2016)

## **Chapter 10: Conclusion**

### **10.0 Introduction**

In the previous chapter, the findings of the cross-case analysis were examined. This chapter summarises the research and shows how it has contributed to the body of knowledge in the TM field. The chapter begins (Section 10.1) by revisiting the research objectives and questions outlined in Chapter One. This will then be followed in Sections: 10.2 and 10.3 respectively by a discussion of the contributions and implications that this study has made to theory and practice. Section 10.4 will present a clear picture of the limitations to this research and will then be followed indications of future research within this area in Section 10.5. Lastly, in Section 10.6, the chapter will conclude by providing a reflection on the thesis as a whole.

### **10.1 Objectives of the Research (Revisited) and Summary of Key Findings**

This thesis was established as an effort to contribute to advancements in the field of TM within the context of an emerging market. Based on the literature surrounding the field of TM in Chapter Three, we see that TM still lacks a strong theoretical and empirical foundation and reveal that there is much ambiguity and confusion in relation to its official definition and how each theory should be approached. Because of these factors, the primary aim of the thesis was therefore to examine the nature of talent management (TM) in organisations within the banking and petroleum sectors. This was achieved by considering Institutional theory within the Omani context, one of these emerging markets. Ultimately, we discovered that TM had become one of the important issues facing both banking and petroleum organisations in Oman, specifically as a result of the nationalisation policy (Omanisation). This policy, together with the strategy of resource diversification and the scarcity of qualified workers in the local labour market, have increasingly made it more difficult to find and attract talent in order to meet these business demands.

This study sought to examine the predominant approaches to TM within the banking and petroleum sectors in Oman. It focused on understanding how the external environment shapes TM provision within Oman but also how the internal context of the organisation shapes TM systems. The study also sheds light on how different constituents influence and shape the conceptualisation and operationalisation of TM. Furthermore, this study examined how differences in workforce characteristics, such as age and ethnicity, can influence TM effectiveness. The impact of implementing TM on employee commitment was also an aspect that this study sought to address.

The present study employed qualitative, multiple case-study approach, enabling the researcher to conduct a detailed investigation and to gain a deep understanding of the TM phenomenon in terms of how talent and TM are defined, as well as its various approaches and its effectiveness within these sector-specific organisations. Over the course of this investigation, 39 semi-structured interviews were conducted in two banks and two petroleum organisations. Interviews were conducted with three different groups: director-level management (Strategic Director, HR Manager and TM advisors); line managers; and talented employees within the banking and petroleum sector.

The study revealed the importance of considering the institutional influences that can shape the conceptualisation and operationalisation of TM within the context of Oman's banking and petroleum sectors. One major finding was that all four organisations appeared to combine both approaches, an inclusive and an exclusive approach. Thus, the TM approach in the four case organisations is characterised as a differentiated approach to their TM architecture. Therefore, the first research question (*What are the predominant approaches to TM within petroleum and banking organisations?*) has been successfully answered. The differentiated TM approach found by the present study is shaped by the external environment (e.g. government, labour market and trade unions) that created the need for organisations to focus on an inclusive local-workforce TM approach. This shows and explains how the external environment plays a significant role in shaping the approach of TM within the organisations and also addresses the second research question, which aimed to examine *how the external environment shapes TM provision*.

Yet we have also seen that the need to create an adequate ongoing source of talent, the need to meet the needs and objectives of businesses, as well as the need to respond to the interests of constituents, have in turn manifested as differences between the banking and petroleum sectors in how an individual is qualified as “truly” talented. Within the banking sector, talent is associated with “high potential”, while in the petroleum sector there is a stronger focus on “critical skills”. This suggests that these organisations adopt exclusivity at certain stages to differentiate between talented and less talented candidates in order to meet their strategic objectives. The data also revealed that the size and type of the organisation plays a role in shaping the meaning of talent within each organization, which indicates the importance of analysing the influence of sector-specific features on how TM is defined. Overall, these findings indicate the importance of considering the role of internal characteristics of organisations in influencing TM. Thus, the third research question in this study, which focused on the *internal organisational characteristics that influence TM*, has been addressed. These findings have provided evidence supporting the previous arguments made by several TM scholars (e.g. Collings and Mellahi 2013; Gallardo-Gallardo et al. 2013; Al Ariss et al. 2014; Meyers and van Woerkom 2014; Nijs et al. 2014) on the role of organisational context, at cultural and national levels, on TM conceptualisation. The results of this study demonstrate that there are multiple levels at which TM is defined within an organisation, ranging from the state level (e.g. government regulation) to the sectoral level (e.g. business environment) to the level of the organisation itself (e.g. type, size and organisation’s strategy).

Furthermore, the fourth research question aimed to explore *the influence of different constituents on TM*. The data indicated the major role that employees play in operationalising TM from the top to the lower levels of an organisation. A high level of influence from the institutional environment (e.g. culture) in shaping TM, the organisations do appear to involve multiple constituents in the programmes, from higher to lower levels of management. Here, we find that top management and HR conceptualise TM from the strategic perspective of the organisation. The TM programmes must also align with the requirements of institutional (i.e. Omanisation), but at the same time, must provide a long-term solution to the organisation’s objectives. Thus, higher-level management (top

management) does play a role in the implementation of TM by supporting and approving the TM process.

While the data demonstrates that line managers play a central role in forming TM, we also see that they conceptualise talent from the operational perspective by defining it as required according to the specific function. This has influenced the way talent is managed and developed. As a result, the involvement of line managers in the TM process is classified as assessment- and design-oriented. Within this framework, employees are seen to be involved by proposing their own form of development through an Individual Development Plan (IDP). Accordingly, based on the development plan and the performance it indicates, the TM programmes are then designed under the assessment of the line managers, after which they have to gain the approval of higher-level management. In turn, this means that employees do have some influence on how TM should be implemented through the involvement of their feedback throughout the TM process.

Also, the results of this study illustrated that the influence of institutional factors have also shaped the selection criteria for talent identification and differentiation. An example of this was that the nationality of the groups selected for TM, which is Omani, was driven by both the institutional environment (Omanisation) and the organisations' strategy to develop local people. Here, the factor of age is considered important within TM because of the fact that the local labour market is dominated by younger generations with less experience and fewer skills, while generational trends lend more interest to development and career path. The performance, however, was determined by the organisations' unique demands and by the interests of different internal constituents. Through these findings, the study has revealed that TM is not only a result of decisions in HR or top management, but is also a by-product of interacting with different constituents who hold different interests in implementing TM within an organisation. This means that managers or HR need to design their TM practices in accordance with the interests of these constituents, especially within a complex context in which we find a high level of institutional and cultural influences. The study also suggests that the rationale for implementing TM within these organisations is driven not by status or the "type" of HR used (Iles et al. 2010), but instead by a

need to respond to the external and internal environments combined with a high level of constituents involvement.

Research question five (*How do differences in an organisation's workforce characteristics influence TM effectiveness?*) responded to different calls from TM scholars (Ford et al. 2010; Thunnissen et al. 2013a; Festing and Schäfer 2014) to investigate further the influence of workforce characteristics, such as age and ethnicity, on TM effectiveness. The findings illustrate that the effectiveness and sustainability of TM in practice depends upon a range of factors including generational differences, employee expectations, the role of expatriates and national culture (entitlement culture). One example of this is that the exclusion of expatriates from these TM programmes presents a negative consequence for these organisations in general and for the effectiveness of TM in particular. Lanvin and Evans (2015) have shown that excluding expatriates from TM in order to develop the local talent may restrict the inflow of expatriate specialists into the local labour market. This evidently risks negative repercussions on market growth and on the economic competitiveness of Oman.

Also, the data demonstrated that employee expectations are linked to generational differences (baby boomers, generations X and Y), which, for example, suggests that X and Y generations appear to be more mobile and less risk-averse and lean towards having a fast-paced career progression. This raises a potential problem in managing exclusivity within the leadership position and might also limit the effectiveness of the TM framework if this is not addressed by organisations beforehand. All four organisations also raised the issue of national culture, one characterised by entitlement (where people believe that they are entitled to positions/promotions based on their experience and age rather than qualifications and potential) that might negatively impact on TM effectiveness. This supports the work of Sidani and Al Ariss (2014) who highlight the influence of an entitlement culture on TM effectiveness in the Gulf region more generally.

Although this study indicated a number of factors that might influence the effectiveness of TM within organisations, the findings also highlighted factors that are observed to contribute to the successful implementation of TM, including clear objectives, good communication and transparency between different stakeholders. Indeed, if the aim of an organisation is to implement a successful



TM programme, the analysis of the findings suggests that there needs to be a high degree of internal cultural and strategic sensitivity that facilitates a drive in excellence in TM and contributes to organisational learning as well as knowledge management (Stahl et al. 2007). The present study also examined how the implementation of TM impacts on employee commitment. The data demonstrated that the TM approach practised by banking and petroleum sectors does have a positive impact on these organisations, specifically on employee commitment, the change in performance culture and the maintenance of a low turnover rate.

Because of these observable occurrences, we can conclude that the results of this study have addressed a number of questions proposed by TM scholars (e.g. Gallardo-Gallardo et al. 2013; Collings and Mellahi 2013; Sparrow et al. 2014; Al Ariss et al. 2014) in understanding the assumptions of selecting a specific approach (inclusive vs exclusive) by considering the institutional perspective. For example, Gallardo-Gallardo et al. (2013) highlight the issues that need to be considered when considering inclusive and exclusive approaches such as what should be considered is the approach that is more prevalent in private organisations as well as the approach that appears to yield the better results, along with the factors that lead to this approach being more favourable. Furthermore, one other aspect to consider is the assumption that leads to the inclusive or exclusive approach within an organisation being chosen. This also leads us to question the role played by the cultural, regulatory, demographic (Thunnissen et al. 2013a) and organisational characteristics (e.g. structure and size) (Iles 2013) that may influence the characteristics of TM when implemented.

The present study also demonstrates the importance of studying TM at the point where industrial and organisational factors interact with institutional and cultural forces in shaping the practice of talent management (Scullion and Collings 2011). This study shows how regulation, the country's cultural-social factors have collectively conceptualised and operationalised TM in both the banking and petroleum sectors.

Therefore, as a result of exploring the influence these different factors have had on an organisation's implementation of a TM programme, the six research questions presented in Chapter One and again in this chapter have been addressed and the aim and objectives of the research have been achieved.

## 10.2 Contributions to Theory

This study has made a number of theoretical contributions. The first significant contribution is that it has offered in-depth understanding of how and why talent management (TM) is enacted and understood in a specific way through the adoption of the institutional (e.g. Omanisation policy, labour market, trade union). Second, the application of the Institutional theory to understand the nature of TM and its impact on organisations, the comparison between the two sectors (banking and petroleum) and the placing of this comparison within an underexplored context (Oman) in particular, represents a new contribution to understanding how TM is conceptualised and operationalised and will be further explored in the paragraph below.

As noted in Chapter Three (Section 3.5), there is a lack of TM research that is based in proper integrative theory (Swailes 2013) and also a need to consider the global context in order to advance the understanding of how TM is conceptualised and operationalised (Sparrow et al. 2014; Beamond et al. 2016). Hence, in order to explore TM in more depth and to understand the different assumptions involved in implementing a particular TM strategy, there is a need to explore the interconnections of different external by analysing the institutional perspective (Beamond et al. 2016).

The adoption of the institutional theory is particularly important in light of the increasing interest in providing a comprehensive understanding of TM and its assumptions. In the previous chapter (9), the data indicated that adoption of the institutional perspective has provided a stronger position from which one can contextualise and explore TM in more depth. Consequently, this has led to a more comprehensive picture of how TM can be understood and operationalised, as shown in Figure 10.1 below.

Institutional theory was applied to understand and explore how institutional-environment pressures (e.g. coercive, mimetic and normative) (DiMaggio and Powell 1983) influence and shape TM within an organisation and to see how far this influence can lead to similar TM practices in the banking and petroleum organisations. Although there is some existing TM research that has adopted the Institutional perspective (e.g. Bethke-Langenegger et al. 2011; De Vos and Dries 2013; Festing et al. 2013; Sidani and AL Ariss 2014; Tatoglu et al. 2016),

Gallardo-Gallardo et al. (2015) argue that Institutional theory is the most prevalent theory used in TM research. However, whilst acknowledging this theoretical significance, the majority of these studies have failed to examine how different pressures are able to shape and influence the implementation of a particular TM approach. They also ignore the influence that the interaction of social contexts has on the selection of a particular TM approach.

The findings of this study show how different institutional pressures have influenced and shaped TM within two different environments, but more importantly has sought to understanding the impact of the social context and internal factors within the organisation. Thus, this study indicates the role of Institutional theory in exploring the existence of TM and its impact on TM practices in a unique context such as Oman.

For example, there is an influence from institutional pressures (e.g. nationalisation policy, labour market and trade union) on who should be included within a TM programme. Organisations appear to respond to these pressures by developing their own internal characteristics (e.g. succession plans) that help to meet both the institutional requirements as well as the internal requirements of the organisation. Moreover, by building on these internal characteristics, organisations play a significant role in defining who should be considered “truly talented”. At the same time, the influence of culture (e.g. *wasta*) has influenced the organisations in recognising the importance of involving and engaging the different managerial levels (e.g. top management, line managers and employees) in TM programmes in order to maintain the implementation and effectiveness of TM.

Figure 10.1 shows the different Institutional pressures (e.g. coercive, mimetic and normative) and its explanatory power in understanding how TM is conceptualised and operationalised within Omani private-sector organisations.

**Figure 10.1: An Institutional Perspective on TM in Banking- and Petroleum-Sector Organisations in Oman**

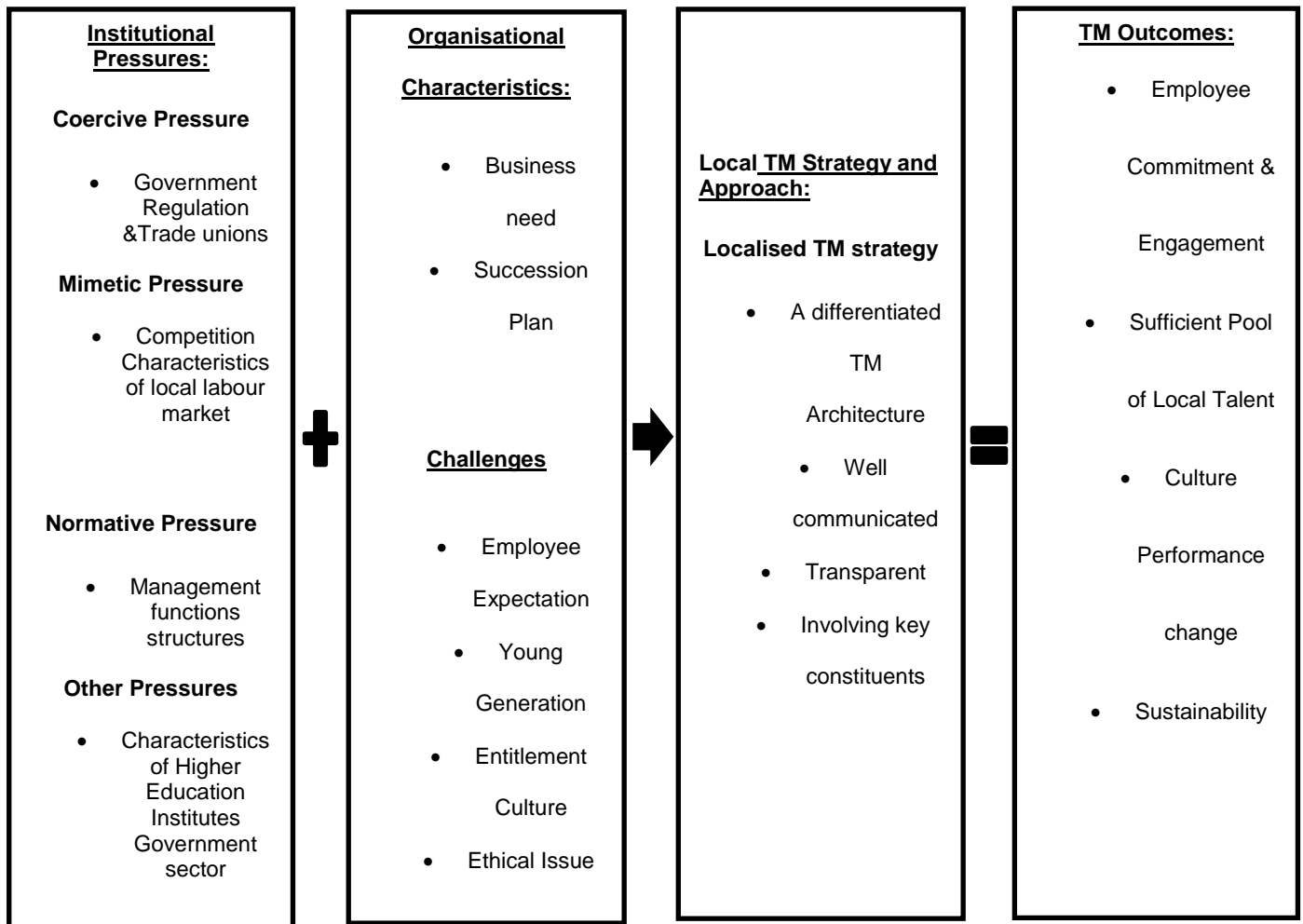


Figure 10.1 illustrates the main factors that stem from the institutional environment that shapes the conceptualisation and operationalisation of TM. The findings of the study explain the power of different institutional pressures in driving and informing the implementation of TM in two different environments, the banking and petroleum sectors. This data shows that banking and petroleum organisations respond to coercive pressures (Omanisation policy and trade unions) and mimetic pressures (labour market and competition) along with other pressures and influences (higher education) by deploying an inclusive Omani approach when managing and developing talent. At the same time, these institutional pressures (coercive and mimetic) are translated by the normative pressure (management and functions). Deploying an inclusive Omani approach was interpreted by the organisations' strategic requirements (succession planning) for developing and generating their own local talent in order to ensure business continuity and sustainability. Therefore, the interaction between

different institutional and internal factors has resulted in the organisations' use of TM as a valuable resource to gain sustainability and reputation which can then attract the best talent in the marketplace. This illustrates the linkage between the resources that organisations have and the social context that they operate in. An understanding of the two aspects helps organisations to compete on the basis of superior TM systems adopting different talent levels simultaneously, thus giving everyone the opportunity to attract the most talented people in the marketplace.

The findings of this study suggest that there is a relationship between institutional, organisational and individual levels in conceptualising TM within the organisations (Al Ariss et al. 2014). Thus, the findings of this study provide new insight and advance the TM literature by showing how TM is conceptualised by the interactions of the different institutional pressures. The influence of institutional pressures (e.g. Omanisation, labour market and culture) also shapes the way in which TM is operationalised. For instance, the data shows that the four organisations use common criteria, such as age and nationality, which indicates the influence of institutional factors (e.g. Omanisation and labour market) on who should be considered for TM programmes. At the same time, performance-and-potential criteria are applied to identify the right talent for the business objectives (e.g. succession plans). Additionally, the emphasis on the importance of having clear criteria for TM programmes and the involvement of constituents (e.g. line managers and employees) are also driven by institutional factors (national culture: *wasta*/entitlement) with people believing that moving to top positions is determined by family connections or close relationships with top management. Thus, it was found that TM in the four organisations is characterised by a differentiated TM architecture and by good communications, transparency and the involvement of key constituents.

Consequently, these characteristics of TM found in the banking and petroleum organisations have brought about positive outcomes, such as improving employee commitment and engagement and establishing sufficient pools of local talent who are now leading the organisations. TM has also improved performance by bringing cultural change, strengthening people's perceptions that progression to upper positions is based on specific criteria rather than subjectivity. This perceived fairness and transparency provides a sense of distributive justice and, when combined with the involvement of constituents, sustains the TM system and

fosters employee commitment. Organisations manage the expectations of their employees and are, at the same time, provided with a sufficient pool of indigenous technical and leadership capability that acts as a substitute for the expatriate labour force. However, the implications of these institutional pressures impose some challenges that might hinder TM effectiveness. These challenges are: entitlement culture, ethical issues (excluding expatriates), the younger generation and employee expectation.

Therefore, it can be argued that the present study has contributed to TM literature in a number of ways. First, this contribution can be seen in terms of what these findings mean to the theory. From the institutional perspective, the findings proved the significance of institutional pressures in influencing and shaping TM and showed that failing to respond to these pressures may result in an organisation implementing TM ineffectively. These results provide further support for the verdict of Iles et al. (2010), that the adoption of TM approaches may vary according to sector, size and nationality as a result of cultural and institutional factors, while organisational characteristics (e.g. structure and size) influence the decision to adopt inclusion or exclusion within pools of talent. Therefore, there is a mixture of institutional and cultural contextual influences that impact on national patterns of TM approaches and practice. This supports the institutionalist argument (Whitley 2000; Hall and Soskice 2001) that national factors, such as economics, governance, financial and legal systems and trade unions, are the main sources of differences in HRM between nations.

Furthermore, different institutional perspectives explain the rationale for TM implementation and its influences on how TM is conceptualised and operationalised within two different environments. Thus, it can be argued that a failure to examine different institutional perspectives may not help in providing a deeper understanding of why TM is enacted in a particular way, especially within a context such as Oman where a high level of national, cultural and political factors influence the structure and practices of its organisations. Thus, the present study has contributed to the TM literature by explaining the influence of the Omanisation policy, in conjunction with other factors (e.g. trade unions, labour market and higher education) that shape TM and its organisational practices. This study also contributes to the growing body of research on the influence of the nationalisation policy in the Middle East region on HRM policies and practices in

general and on TM in particular. Thus, this study makes a unique contribution and pushes forward understanding of the globalisation of HR practices.

Finally, because of the lack of a strong theoretical and empirical base (Lewis and Heckman 2006; Collings and Mellahi 2013; Swailes 2013; Sparrow et al. 2014; Collings et al. 2015; Thunnissen and Van Arensbergen 2015), a significant contribution of this thesis is an attempt to solve the theoretical deficiency in the field of TM by considering Institutional theory. Through Institutional theory, a number of factors have emerged with regard to exploring why TM is enacted in a particular way. These factors include: the influences of nationalisation policy; cultural factors such as *wasta* and a culture of entitlement. Collectively, these factors have shaped the conceptualisation and operationalisation of TM within these organisations. Accordingly, this current study can be considered the first of its kind in addressing TM within these contexts. The explanatory power of the institutional perspective in this present study provides a strong foundation on which to base future research.

In conclusion, this study demonstrates that the implementation of TM must be understood and framed within the context of different institutions which interact according to organisational characteristics. These, in turn, shape the way in which the organisations define their approach to TM in order to seek legitimacy, effectiveness and business continuity.

### **10.3 Contributions to Practice**

The findings highlighted by this study have led to a number of significant contributions to the practice of TM in general, with valuable implications for the government, the private-sector organisations of Oman in particular and, more broadly, for MNCs. Although some of these private-sector organisations in Oman have been increasingly investing in TM, they still appear to be facing many challenges that could limit the effectiveness of TM systems.

Private-sector organisations in Oman are considering the implementation of TM systems as a main tool able to respond to external pressures, namely regulation from the government, as well as internal factors (the organisations' strategies)

that have led to the inclusion of all-Omani workforces within TM programmes and to a differentiated set of development programmes (a differentiated TM-architecture approach). For example, those employees who are identified as high potential and located in the high level of these TM systems receive different development programmes to those at the middle and lower levels of the TM system. However, companies should also be aware of the disadvantages of excluding non-Omanis from TM programmes, which may have a negative impact on the effectiveness of these TM systems. Thus, decision-makers, HR managers and TM advisers could revisit existing TM practices to account for the potential for ethnically based discrimination in TM and consequently contribute to achieving a more inclusive and diverse workplace. Additionally, companies could decrease the risk of discrimination by increasing the transparency of TM programmes and by having clear objectives for TM systems shared amongst all parties within an organisation. Moreover, multinational companies should seek to find a balance between global and local requirements when conducting their TM practices.

Furthermore, in terms of identifying and allocating the required talent at each level, organisations need to consider the use of multi-source assessments, such as combination tests and self-administered and supervisor-administered instruments, in order to reduce the bias that may result from using only one assessor. Although line managers have an important role in assessing and identifying the right talent, as they are closer to their employees than are HR or top management, organisations also need to have more skilled and qualified line managers, especially when it comes to identifying the right talent, which as a standard requirement, could help to minimise line managers' subjectivity and bias. Empirical evidence of this study also suggests that organisations should pay great attention to the effectiveness of coaching and mentoring as an effective method of managing and developing talent as well as retaining talent once attracted. In addition, in order to manage employee expectations and to retain employees, the TM approach adopted should be balanced between the country's needs and those of the organisation. Moreover, these goals should be linked to the different goals and objectives of each generation.

On the other hand, there are a number of ways for policymakers (e.g. government regulations such as Omanisation) and Omani higher-education institutions to



improve the quality of the local workforce. For policymakers, the government should develop and design a national competencies strategy through an involvement of multiple stakeholders such as employers to identify the current demand in employee skills. This will help the government and employers to achieve the nationalisation policy effectively. At the same time, the government should work cooperatively with higher education in enhancing and improving the quality of education through proper funds and regulations that could enhance the quality of the education system in Oman.

Furthermore, higher-education institutions should also work with public- and private-sector organisations in designing and implementing required courses that are demanded by the labour market. Additionally, the higher-education institutions need to develop more training through practical programmes to establish important behavioural attributes, such as strong communication, as well as technical competences needed for future career development. There is also a need for full cooperation between organisations and higher-education institutions in the gradual development of a cultural mind-set that is more accepting of “fair” competition. In order to alleviate any problems that might be caused by the national culture (entitlement culture), organisations should invest in cultural training for their employees (from top to lower managerial levels) to help them to accept this new system (Talent Management). Additionally, it is suggested that organisations need to pay greater attention to competent behaviours and attitudes that would help them to embrace this new culture of TM in terms of development and promotion. Moreover, these empirical investigations illustrate that TM practices within these four organisations are so far limited to a local context as a result of institutional pressures. Therefore, these organisations must be aware of the strategic balance that must be made between the global integration of TM practices and the ability to adapt locally in order to ensure that they can compete globally.

This research has also illustrated that, among these individuals, an expectation surrounding TM has been driven by self-interest in career development and the prospect of being promoted to critical or leadership positions. These expectations have been unfulfilled because of a shortage of critical positions, especially in organisations characterised as small joint ventures (see Chapter 7). This has demotivated talented employees and presents a major barrier to the effectiveness of TM. Therefore, these organisations should take into consideration the needs of talented employees as a way to mitigate the gap between the formative and actual practice of TM. Although TM practices in the case-study organisations focus on developing local skills, it is still the case that employees within these TM programmes expect that, once they finish the programmes, they will be automatically promoted to higher positions. Consequently, as failure to meet this expectation might cause demotivation and allow employees to be poached more easily by other competitors, a TM framework should take these different expectations into consideration as its practices are outlined.

The findings of this study have therefore enhanced the understanding of the TM phenomenon within Omani private-sector organisations in terms of its definition, approach and effectiveness. Accordingly, this study has contributed to our understanding of TM within the context of the Middle East in general and can be considered the first of its kind to develop an understanding of TM in depth within this previously weak area of research and in turn respond to the scholars of HR (Budhwar and Mellahi 2007; Afiouni et al. 2014) in order to understand and examine the factors that have shaped TM within the Middle East. This study has also contributed to the growth of the national literature in Oman, and potentially to the creation of national policy, as well as signalling the benefits that could be derived from TM and making a contribution to the overall development of the Sultanate of Oman. Moreover, it may be possible to extend this generalisation to public-sector or other organisations within other sectors of Oman or other developing countries also characterised by societies in which the traditional values of grace and favouritism are still prevalent. Overall, the present study constitutes an important contribution by examining TM through the use of the institutional perspective and by explicitly contrasting two different environments, the banking and petroleum sectors.

## 10.4 Limitations

Although this research provides new and important insights and draws valuable lessons with regard to the TM phenomenon, there are some limitations worth noting as they have significant implications for future research. First, although the semi-structured interview allowed the researcher to explore the TM phenomenon in-depth within the Omani banking and petroleum sectors and is considered an ideal method for this research, it limits cross-industry analysis. In the research, significant attention was given to exploring the nature of TM in Omani banking- and petroleum-sector organisations but not across other industries and sectors that could provide a comprehensive picture of how and why TM is conceptualised and operationalised in a particular way. This is because it was not possible to investigate all these sectors in a single study. This might also raise criticism for generating findings focused on specific contexts (banking and petroleum); thus, the findings of this research cannot be generalised to other industries and sectors. However, the findings are not aimed at generalisation but rather at exploring and establishing a good understanding of the nature of TM in the Omani context as this study is the first exploration study on TM in Oman. Thus, this research does provide transferability in terms of developing the theory that can be transferred to other settings.

The second limitation relates to the sample of participants. This research focused only on participants who are involved and affected by TM (e.g. management group, line managers and talented employees) without including expatriate employees. Although the two groups of interviewees provided an in-depth understanding of TM from diverse perceptions at different managerial levels, the study is still limited in terms of understanding TM from the viewpoint of the expatriate workforce, in particular because they represent a high percentage of the total workforce within the petroleum and banking sectors and this group of employees may help to provide richer, more varied results. The fact is that this study did not include them because they are excluded from TM programmes and the research aim is to understand TM from the viewpoint of those who have been involved in TM in order to provide a full picture of how TM is defined and operationalised within the organisations. The third limitation is the fact that the cross-sectional nature of this research does not capture the evolution of TM. It does not trace the development and subsequent shifts in TM policy and practice

which might lead to fruitful results. This is because of the fact that this research is conducted within a specific time period in order to meet the researcher's aims and questions, is to examine the nature of TM in the banking- and petroleum-sector organisations.

### **10.5 Directions for Future Research**

After outlining the limitations of the present study in the previous section, a number of suggestions for future research have also been considered and will be explored below:

First, purely deductive research may need to be conducted using quantitative research methods, such as a questionnaire, as this could test the validity of some of the findings across the entire population of the Omani private-sector organisations. Moreover, using such a broader sample may also help to verify results, according to industrial-sectoral differences, to see how TM varies among specific industries and sectors. Second, future research conducted in other private sectors, such as telecommunications and construction-based organisations, and different national environments would further verify the findings of this study and may yield additional interesting and complementary insights within the TM area.

A third consideration is that conducting a future study in the public sector would enable researchers to obtain an overall picture of the phenomenon or draw a comparison between public and private organisations, which may reveal other factors or variables that may not be transferable to the public-sector organisations. For example, leadership styles within Omani organisations can be characterised as innovative and bureaucratic and have contributed significantly to shaping successful TM systems. However, it is also worth mentioning that leadership styles may differ from one organisation to another, especially those organisations which operate in the government sector, and further research may be required on the impact of leadership styles on the success of TM. As a fourth possible consideration, it would also be interesting for future research to draw a comparison between local companies and MNCs, as this would also help to extend our understanding of TM.

A fifth aspect that could be considered in future studies would be an examination of how TM impacts on the excluded group, which in this case is the expatriates; this could also include those who are in the middle and lower levels of TM systems and it could look at how the TM system is affected. This might bring additional new and interesting insights to this area of research and allow for a better understanding of the phenomenon. Also, further research might require a closer examination of the effects of excluding expatriates from the current TM system in terms of maintaining the sustainability of the system.

Finally, we have to consider the notion of managing the expectations of talented employees, as it is one of the main issues that will impact on TM's effectiveness. Future research could adopt a theory of social exchange that could help in explaining the relationship between employees and employers, which could in turn help in managing the expectations of talented employees. Further research also could consider the relationship between an organisation and its employees and examine TM through the lens of career management.

## **10.6 Reflexive Statement**

Reflecting on the experience of undertaking this study, I have found it to be exciting in many ways. I began my PhD journey with high expectations and a drive to learn new things that would enhance and develop my career as a researcher. During this experience, it has been very interesting to gain new knowledge in areas of which I was previously unaware. Most importantly, I have learned how to identify my philosophy in my research and how particular philosophical paradigms have shaped my chosen methodology. Having learned different approaches in philosophy, I soon realised what the optimum approach would be for my research, based on my own assumptions. Within the paradigm of research that reality consists of people's subjective experiences of the external world.

From my perspective, this meant that our perceptions of the world are determined by an interchange between social actors within a given environment. For example, I believe that the asset of human resources is the key driver for organisational success and, based on what I have explored within this study, this belief now feels much more substantiated. Furthermore, as a human-resource lecturer, this understanding is an important area for my research. In reflecting on my choice of paradigm and methodology framework, this returns us to the view that “the researcher creates his own methodology to suit the purposes of his research from select approaches and methods that reflect his personal views of reality and his beliefs about how we know and what we know...” (Etherington, 2004, p.110).

In terms of what led me to choose Talent Management (TM) as my research topic, Etherington (2004) stated that the choice of topic often has personal significance for the researcher, whether conscious or unconscious. In my case, the choice came from my personal experience of what I had observed during my work experience in that there is no recognition for the talented workforce. Following this observation, I decided to focus on the talent-management area and to try to develop it further, thus supporting the argument that reflexivity is a bridge between research and practice.

In terms of how I perceived this within the context of my own research, I feel that thoughts, experiences and feelings are collective aggregates that shape our identity as researchers. For me as a researcher, my assumptions developed from when I was involved in different theoretical and practical courses in human resources. Consequently, I have read a lot of articles on talent management and believe that humans are essential capital for any organisation and that we should urgently sustain the most talented people to gain a competitive advantage. Subsequently, I decided to explore TM within the context of my own country, Oman, and look at how TM is understood and implemented there.

During the data collection, which was based in my home town in Oman, I was especially surprised to see that significant change had occurred within private-sector organisations and that these changes had enabled an outsider such as myself to be welcomed and to conduct and gather information about their organisations. However, despite my own circumstances, the access required for

conducting a study in one of these Middle Eastern countries is not always guaranteed, especially with the organisations and the top-management interviewees that I required. Furthermore, I was especially surprised and happy to witness an improvement in the selection for top positions whereby the candidate is chosen based on his/her ability and performance rather than personal connections within top management (wasta). I felt that this cultural shift signalled an increase in future appreciation of the values of meritocracy on which TM depends and that the old mind-set of top managers had changed as a result. Additionally, I enjoyed the opportunity of meeting different people and gaining new networking connections which might help in future research if I need to gain access to these organisations.

Despite these positive aspects, I did not expect that conducting interviews would be very difficult in terms of transcribing and analysing the huge amount of data. However, when faced with this challenge, it really equipped me with new knowledge of how to conduct interviews and how to do the transcription in a very limited period of time.

Moreover, the time-management skills I developed through this experience led me to completing the data collection within four months instead of the six I had originally anticipated.

In addition to this benefit, I also learned that things do not always go the way that I originally anticipate. For example, this PhD journey over these past four years has at times seemed like a nightmare of frustration, especially when the supervisors informed me that I was not yet at the level for which I was aiming, making the process seem frustrating and sometimes tedious. However, this kind of feeling has made me stronger and also increased my confidence as a researcher through striving towards my research goals under the supervisor's direction and saying to myself: "I can do it and will be there one day." Ultimately, upon reflecting on these challenges and struggles, I feel reminded that such challenges always somehow bear fruit in terms of results and success. Indeed, without the support and constructive feedback from the supervisors, especially after several times of trying, I would not have been able to write this section, let alone reach this stage.

Additionally, another challenge that has helped me to gain confidence is my own language constraint, as I am an international student with the barrier of English as a second language. Initially I felt struck down and was hesitant to write; I had a lot of ideas in my mind but I did not know how to write them. Though proficient in talking and explaining in my presentations, I am less productive in writing. Thus, the supervisors have encouraged me through and through to persevere and to continue my writing practice. This input has added a new skill-set to my experience in helping me to realise that, yes, I can write and contribute to the knowledge as other researchers and scholars have done around the world. In addition to this challenge of writing, I also found it challenging to manage my time between PhD requirements and my domestic responsibilities. It was tough for me to balance these two commitments, especially as a person accustomed to helping within the home back in Oman, where eating and sleeping around these responsibilities were more manageable. At times, especially at the beginning of this PhD journey, I sobbed and struggled to imagine how I could manage all my commitments. However, from a self-development point of view, I feel that, as an independent female researcher, I now have increased confidence in my time-management abilities.

Overall, these challenges I have experienced now seem irrelevant given the interesting results that I found in this study. I have explored many different issues that were not indicated within the previous TM literature, particularly in the literature on the Middle East. From my personal viewpoint, I believe that the outcome of the study is valuable to all other TM scholars, specifically those who are interested in exploring TM within Middle Eastern societies. Also, this is significant for the Omani government organisations which have yet to implement TM and I would welcome the opportunity to explain the results and recommendations of this study to such an audience. This study also provides valuable information for those international companies seeking to invest in the Omani economy that have a background in managing talent. These possible interests would offer me an opportunity to distribute the study and its implications further and to make a valuable contribution to the overall development of the Sultanate in terms of how TM should operate within our unique context, since it is crucial to develop and retain talent within Omani organisations that will help



them to compete locally and globally. As a result, this presents the possibility of a remarkable impact on the Sultanate's economic development.

In conclusion, I believe that the learning process during the PhD journey has had the greatest possible impact on my personal exploration, personal understanding and growth as an individual. As an experience, this has made me and my purpose as a researcher feel more significant given the study's potential to have a real-world impact on the TM process. For example, I have attended, and presented papers, at several international conferences and I have published a book chapter and another journal article; all these have had a significant impact on me as a new researcher. Also, I feel that I have gained confidence in terms of arguing with top scholars in the field of TM and I have also enhanced my social skills through interaction with different people. Collectively, when I reflect back on previous years, my experience with this study has left me feeling like a different person in terms of knowledge and personality.

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## Appendices

### Appendix 1: **Statement of Ethics Approval**

Ethics Application: E369

Thank you for your patience with this Application and approval. This has now been reviewed by the Chair of the Humanities, Social and Health Sciences Research Ethics Panel. I am pleased to inform you that your research study has been approved by the Chair, with no further ethical scrutiny required. Please add a sentence onto any material you share with participants advising that Ethics Approval has been granted by the Chair of the Humanities, Social and Health Sciences Research Ethics Panel at the University of Bradford on 17th April 2014.

Omar Ali

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### **Information Sheet**

**Study Title: An exploration of Talent Management systems in the Sultanate of Oman: Four case studies in the Banking and Petroleum sectors.**

Name of the Researcher: Raiya Rashid Al-Amri, PhD student at the University of Bradford - School of Management - Emm Lane/Bradford/BD9 4JL/UK. Email: rrsalamr@student.bradford.ac.uk

The Principle Supervisor of this research:

#### **1- Dr. David Spicer**

Associate Dean, Academic Management and Planning

Senior Lecturer in Organizational Change

Head HRM/OB Group

Email: [D.P.Spicer@bradford.ac.uk](mailto:D.P.Spicer@bradford.ac.uk)

The aim of this study is to explore the nature of Talent Management (TM) within Banking and Petroleum sector organisations in the Sultanate of Oman in order to understand how talent management (TM) works in practice and to improve it if possible. Therefore, the study will be conducted in two banks and two petroleum organisations as they have formally adopted TM systems. The target group for this study is divided into two further groups; the first group includes those in charge of TM systems (e.g. decision-makers, human resource managers and talent management advisors), while the second group targets those who are affected by the system (line managers and employees who have been identified in the talent pool).



Audio-recorded interviews will be used as part of the research; the interviews will be conducted during working hours from 8.00 AM to 4.30 PM at the participants' workplaces or other venues considered convenient for both participants and the researcher. The interview is expected to take between 30 and 90 minutes. The interview data are treated as confidential and are held securely; the data are

anonymous and no names will appear in any report, dissertation or subsequent publication. No one in the company will be able to see individual responses. Consent will be sought to audio-record the interview; the recording will be transcribed into text and at least two copies will be saved in a laptop, with another saved to an external hard disk. Subsequently, the audio-recording will be deleted. Furthermore, transcripts will be fact-checked with the interviewees to ensure that the researcher has offered accurate reflections of participants' answers.

You should also be aware that your involvement in this study is completely voluntary, which means you have the freedom to participate or refuse to be part of the study. Additionally, you are free to withdraw from the study even if your participation in the process is incomplete.

### Consent Form

Thank you very much for agreeing to take part in an interview for my research. The purpose of this form is to make sure that you are happy to take part in the research and that you know what is involved.

Have you had the opportunity to ask questions and discuss the study?	YES/NO
Have you ever been involved in a similar study?	Yes/No If <b>No</b> , please go to the below questions
If you have asked questions, have you had satisfactory answers to your questions?	YES/NO/NA
Do you understand that you are free to end the interview at any time?	YES/NO
Do you understand that you are free to choose not to answer a question without having to give a reason why?	YES/NO
Do you agree to take part in this study?	YES/NO
Do you agree to the interview being audio-recorded?	YES/NO
Do you grant permission for extracts from the interview to be used in reports of the research on the understanding that your anonymity will be maintained?	YES/NO
Do you grant permission for an extended, but anonymised, extract from the interview to be included as an appendix in the final report?	YES/NO

SIGNED.....

NAME IN BLOCK LETTERS.....

DATE .....

**The interview Guide**

**Theme: TM strategy and TM approaches**

**Target Group: decision-makers, HR managers and TM advisors**

Job title: .....

Length of service: .....

Nationality: .....

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**RQ1: What approaches to TM are predominant in petroleum and banking organisations in Oman?**

1. How do you define talent in your organisation?
2. How do you define Talent Management (TM)? And how does your definition compare to the TM that you encounter in this organisation?
3. What are your reasons for implementing a TM policy? And how does this (your understanding of TM) compare to the objectives that may have been the reasons for implementing a TM?
4. Which approach do you prefer in managing talent? And why?

**RQ 2&3: What do you think are the factors that shape your TM provision?**

5. Do you think that competition and government regulations play important roles in shaping TM systems in your organisation? Can you please elaborate?

6. What influences your organisation to adopt a TM system? Is it, for example, the organisation's search for status, reputation and legitimacy?

7. To what extent does the labour market influence recruitment and talent selection?

8. To what extent do you think that your organisation's culture and structure determines the shape of your TM system? And how? Could you please explain a little bit more about...?

9. How is your organisation's strategy aligned with your TM system?

10. What other obstacles might limit the effectiveness of the TM system in your organisation?

**RQ4: How do different constituents' influence and shape the TM system?**

13. Who are the main actors who influence the TM system in your organisation?

14. Do you involve employees and line managers when designing TM programmes?

Probe: And to what extent do they influence the design of the TM system?

15. How do you manage conflicting views regarding the current TM system?

**RQ5: How do differences in an organisation's workforce characteristics influence TM system effectiveness?**

16. Do you consider variables such as age, gender and ethnicity when designing TM systems? And what are the implications of those different needs for the TM system?

**RQ6: How does the implementation of TM impact upon employee commitment?**

17. What current tools do you use to attract, select, develop and retain talented employees?

And to what extent are these tools deemed successful? How do you measure the success of these tools?

18. To what extent does your TM system impact on employee commitment? And how? Please elaborate.

19. Do you think that the current TM system has achieved your expectations? How?

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**Theme: The impact of TM systems on employee commitment**

**Target group: Line managers and employees who have been in the talent pool**

**Job Title:** ..... **Age:** .....

**Length of service:** ..... **Gender:** .....

**Nationality:** .....

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**RQ1: What approaches to TM are predominant in petroleum and banking organisations in Oman?**

1. What attracted you to apply for a job in this organisation? **(Employee)**
2. Briefly describe your current role within the organisation? Has this changed as result of being in the TM programme? And if so how? **(Employee)**
3. How do you define talent and TM in your organisation? **(Line manager and Employee)**

4. Do you like the firm's current approach to managing talent? Why or why not? **(Line manager and Employee)**
5. Which approach do you prefer to manage talented employees in your department? Probe: "And why"? **(Line Manager)**

**RQ 2&3: What do you think are the factors that shape your TM provision?**

6. Do you face any external influences outside the organisation in managing talents? **(Line Manager)**
7. To what extent does top management support the management of talent in your organisation? **(Line manager and Employee)**
8. Do you face any challenges in managing talented employees separately from "less-talented" individuals? **(Line Manager)**

**RQ4: How do different stakeholders' perspectives influence and shape the TM system?**

9. In what ways do you explain to employees about the characteristics and objectives of your TM system? **(Line Manager)**
10. Do you confer with employees about their expectations of being in a talent pool? And how can their expectations effect on the objectives of TM system? **(Line Manager)**
11. In what ways does your organisation take care of talented employees' expectations? **(Line manager and Employee)**
12. If conflict exists between these two groups (those who are in and out the talent pool), how do you manage it? **(Line Manager)**
13. Do you face any problems with your co-workers who have not been selected for the talent pool? **(Employee)**

**RQ5: How do differences in an organisation's workforce characteristics influence TM system effectiveness?**

14. In what ways do you explain to talented employees about the benefits of being in a talent pool? **(Line Manager)**
15. To what extent do you think that the different in employees' characteristics effect on the TM system? **(Line Manager)**
16. Are there any differences among the employees' characteristics (e.g. age, gender, and ethnicity) in terms of the needs and benefits? **(Line Manager)**

**RQ 6: How does the implementation of TM impact upon employee commitment?**

17. What do you think is best practice for managing and developing talented employees? Probe: And why do you say that? **(Line manager and Employee)**
  18. To what extent do you think that your TM system has achieved the outcome of employee commitment? **(Line Manager)**
  19. To what extent do you think that the talent pool in your organisation is run effectively? **(Line Manager and Employee)**
  20. What improvements do you want see in terms of managing talent? **(Line Manager and Employee)**
  21. Do you face any obstacles that limit you in developing your skills? **(Employee)**
  22. Were you to be offered better opportunities by other organisations, would you be willing to leave? And why? **(Employee)**
-

#### Appendix 4: Sample of Interview Transcripts

##### **Interview with Strategic Director (SD) at the second petroleum company (PB)**

**Date: 21/07/2014**

**Time: 12:30 pm- 1.30pm**

**Interviewer: Rayya**

**Interviewee: IR**

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**Rayya:** thank you so much for taking part in this research and the information will be mentioned in this interview will be treated as confidential and anonymous.

**IR:** okay, are you working?

**Rayya:** yes I work in the Higher College of Technology in Muscat and now I am doing PhD at the University of Bradford, sponsored by the Ministry of Manpower.

**IR:** Okay, excellent

**Rayya:** Mrs. IR, could you please talk a lit bit on your talent management framework and how it operates in your organization?

**IR:** okay, so, it is a lit bit of background, so you will understand; I have that position about one year and half, so in many ways where the new thinking towards the talent management framework and most of other policies, so what I am going to talk about is not the current practice and I will mention what is the current practice but more the design status that we working currently as speak towards, so most of that, it is already we are doing sharp it and twitted it together and so on. So, in PB when you talk about the talent management in the new way that we are looking at it, in the past it used to be (pause) a very narrow definition of (pause) you know who goes to what training and it was very, very narrow, now today we talk about talent management being the whole employee's experience from the day he steps into the company after he or she is recruited all the way until he or

she retires, so for us it is the whole life cycle is what employees see of the company and that actually includes joining process, the joining development process, the actual managing of moves, so whether they actually promotions or later moves, so all these parts of talent management, part of the development is assessing one potential and, and with process comes the follow process of the competency development frameworks where actually you say this is what the job needs, this is where we say this guy has kind of this potential and in order to give him or her every opportunity to get there, we need to close these gaps, so all of these you know leadership assessment, competencies assessment and so it is all part of the framework, the movements these is also is part of the talent management and in way that we can to reinvent the definition, the way we engage the employees in understanding in sort of cooperate engagement such as process which is the we keep survey that we administer what we call it, the people survey, every year it is open to all PB's staff, where we ask them you know more than 100 questions on pay, on environment, on diversity, on discrimination, whole range of questions, so the engagement is part of the talent framework, then of course seen them to through the retirement, so that whole the life cycle process talent management.

**Rayya: thank you**

**Rayya: so, how do you define talent in your organization?**

**IR:** the narrowest definition of talent, so, if, if we take the current definition every single individual in the is talent, so (pause) but within that and that is why I said is the old definition of talent I think industry wide and in PB was only those who are going up but in, in PB now we are actually changing that definition and actually saying everyone in the company is talent, how do you develop them, how you move them, how you progress them and so on , depends on how far they get, so someone who is considered top talent will have more involvement in terms of development than someone who is for example at the bottom of that you know of that talent spectrum, so if you talk about top talent, how we define them, we are actually have very structured process that we follow and actually is quite involved in about an hour time we actually, we the managing directors committee of the company we meet every single week and that is the top 12 guys run the company and on that table we even use something called let's talk talent, so this , this follows a process called CEP assessment, CEP is Current Estimated Potential,



so when you work with this, and come up who join, they work with this and you know as graduate or as you know under graduate, the first few years we look at the capability not just the technical capability for us the first ten years is technical capability after that then you know you can move into the management and so on but for the first few years we observe them and then we have something call Current estimated Potential, what current estimated potential means? Is based on what we see you today we assess for CAR, C, A, R, so C stand for capacity your ability to think your ability to analyze your ability to synthesis and so on, A is for achievement, so does this person is he or she higher achiever or not? Because people of top talent they need to be a high achievers and this the evidence base, so you cannot say oh I love this guy so this, so you actually you sign of kind of work to these people have been involved them and you have evidence in the see of capacity the ability to think and synthesis, the ability to achieve, so that is performance which for us gets measure every single year and we can talk about that but because it is part of the framework and R which is your relationship your ability to manage the stakeholders and it is your ability to connect between immediate stakeholders and those who are by inference also stakeholders, it is a bigger view of world, it is ability to link up what is happening in the industry to your piece or work, top leaders need that skill level and so we have tool called CEP and we do CEP assessments where then we actually say given every development opportunity to this individual can be as high as, now that is you can imagine my CEP changes unless my CEP has changed upwards number of times, so when you join the company you only see the couple of few years some of the evidences under CAR might not be obvious, so you will get CEP assessment but already we can tell the guy who is going to go far or the guy just you know going to do the technical or stick there, overtime once you have worked in the company for more and more years because that is annual process not every person gets re-assessed annually that is annual process which gives the people around you the ability actually to put forward and changes, it tends to be upwards because you do not , sometimes to goes downward but not very common because if you take the coucie approach you do not want to inflate someone CEP and so overtime if you spend more and more time in the company and get involved in more, more job tasks, had development through the years you approaching sort of you know what can be learnt from the you know the strength that the person will bring to the job, so it is not, it is not unreasonable to

assume overtime that people can those who are actually top talent go higher, yeh, so, so for us the CEP tool is extremely important that is the tool is to assess these talents, so it is actually structured process with evidence you have the top group in the company involve in that process, so I get involve with my whole function, so the HR function, the people function I will preside over that and if we saying top talent is for us is just for job groups, the job rate, the director level we call them LC the later Category because our job is actually start from 13 to 1, then the directors start from A, B, C so those later category, so later categories are top talent your directors of the future, yeh and so for that group, the discussions take place at the executive's table, not many companies to do that but you know we are very proud who actually do that, so in PDO we currently have I think it is about 6,000 Omanis and of course the rest are expats you know heading towards comfortably 9,000 people, so we do it also for expatriates but only Shell's expatriates those who are coming from you know, so it is not necessarily identify talent for your expatriates staff it does not really make sense because for you it is really about the development, so mostly we spend a lot of energy on Omanis, so if you think about the 6,000 Omanis we have 100 of them plus on that region who are considered as LC potential, so they are top talent and we talk about a good ratio of pension rate 3:1, so if you actually have a job, a director job, so you get 13 director jobs you would expect within the different functions you have actually have ratio at least 1 to 3, so 3 people have been developed to eventually take those roles you need at least that is industry bench mark, bench strength of 3 to 1 because not everyone will be developed in the way you need them to develop that is one problem, the other problem is they may actually leave the company because top talent gets stolen from you, sometimes you know the obstacles on the road, so it is important to have really some kind of bench strength and for us at least we as healthy industry bench mark also 3 to 1 bench strength, so at the, at the top level at the moment we got quiet health bench strength, however, the develop in the details you have to look at within the bench strength of 100 plus which is comfortably 3 to 1 ratio of the top jobs, some of them they are very young, so that not tomorrow's leader but the day after and you actually you have to look at the, the deepest level of details to have actually read the assessment the health of your talent pool because of course for us the people who would be succeeding us in terms of talent, they need to be you know just few years just younger than ourselves and then to ensure that you have the

pipeline you need people who are at the age of 30 to succeed those guys you know, so that process called succession planning and replacement planning and of course we have Omanisation, so that whole thing is part of the talent management framework.

**Rayya: okay**

**Rayya: so, what was the main reason of changing you know the definition of talent into broader concept?**

**IR:** well, I think if you look at the literature (pause) I mean at the end of the day actually you will be some folks but you spent a lot of money and effort trying to attract talent at the first place, we do not take any person, we are actually have for graduates we have something called the assessment center, for under-graduates we actually have the technician programmes, for mature higher we have, we have interviews and so and so even the entry to PB is quite selective, so you already saying you targeting a certain talent to start with, so you cannot once they join suddenly they are talent anymore, so it is really just in keeping without the whole definition, now within that talent pool you are looking also for top talent who would be tomorrow's leaders. So it is really a cleaning up the definitions, yeh, in lesson what we have done in the past I think the new thing is not only the definition, although the definition it is also quite important because you are paying a lot of money to attract individuals to, to I mean if you look at it what the term, employee that Employee Value Proposition, EVP it does not only take care of top talent but it also takes care of technicians who are way, way below because those are scares resources in the whole industry and spend a lot of time and money to attract them In to the company to train them, so by definition is talent, so I think it is more appropriate to consider everyone talent because we actually are doing something to develop them and retain them and so on and then within that definition then you actually have the top talent or the professional who are in the mid-range of management and then the technical guys who would be the engine of the company.

**Rayya: so, do you think that competition and government regulations influence on your talent management framework?**

**IR:** (pause) there is no doubt that the legal framework in the country and even the market dynamics impact your talent management framework especially if you

take these big definitions of ours and so if you look at on whole companies in the state they have totally different dynamics compare to PB in Oman, PB is the biggest oil producer if you need oil industry in related talent you get it in PB when we had competition 2005 when we had other oil companies coming into the area we had a lot of resignations because the market conditions have changed suddenly you have competition in the market if you are new oil industry start up and you need talent where you will go in Oman? You are going to PB and also what happened the, of years we do not have something called EVP where actually look at you know the pay and so on because we were the king, we do not have real competition, so the market when it is changed and we started to lose up to 7% attrition rate because if you are new starter into the country you need to look at the biggest player you biggest development machine which is really PB for several decades you look at the people salary and offer just 30% more, you will get people you know to come and join you and when we started to lose staff that market dynamic influenced our own pay structure for instance now we starting talk about retention packages and making sure actually our pays are competitive with the market and so, that kind of dynamic in non-competitive industry is not required you can pay anything really because we were dominate but you cannot do that today because of that competition, I think the legal framework we see it absolutely in many ways but also including talent and how you manage talent everything from ensuring that you have got competitive environment and competitive pay and you actually have healthy relationship with trade union that your legal structure allows you to do what you need to do and that is where in this country we have along-way to go you know some of the manpower, the labor laws , they are so old, the have quite contact with changing market , so you find some of our colleagues in the external affairs, in our legal guys they are working too much with industry to, to tackle some of the legal frameworks not allows to do you know proper, proper talent management.

**Rayya: thank you**

**Rayya: so, how is your culture of the organization shape the talent management framework?**

**IR:** sometimes you wonder whether it is the culture that shape the talent framework or the talent framework actually shape the culture because that is if you go back to the definition of culture deep down you know the governing body

of the company create that culture, so we set as leadership team all the time and complain about the people who do this and this, we create that culture and it might not be us the current leadership group but the culture is inherited, so our PB is created that culture, so in many ways this is two ways street we create that culture and then we are saying now that culture impacts the framework, if you want very distinct example of how the culture and it is why the sense rather than the company's culture but maybe country culture, maybe the regional culture is impacting talent framework among other things like policies for instance, when we all had the protesters or what they called it the Arab spring there is entitlement culture give more, give more and we, not only In Oman the whole Arab world among the GCC because Alhmdualih you know our things are stable, so you see more giving and not enough what I can do for my country as policy maker I set and I face with these kind of questions all the time continuously, so there is impact, the company culture to me I cannot that what we created as we are big we and I think what is over riding now is the country's culture of you know if I give X and I want X plus why?

**Rayya: so, how is your organization's strategy is aligned with your talent management framework?**

**IR:** we are making this alignment more explicit but is absolutely underpinning of the company's strategy, so I do not know how much you know about oil industry and how much you know of the oil industry in Oman but in terms of our resources base the oil that actually we have and so on we are not much we have as our neighbors I mean in Saudi they have oil for the next 100 years, Abu Dhabi and Iran and so on, the big reserve are actually is there, in Oman since I joined the company that 25 years ago we always told we only have last to 10, 20 years but that was 25 years ago and I can tell you today we have got oil last another you know 30 years and what was happened of course technology has enabled that is to actually that tackle the resource base that we have, now with more far challenge in terms of quality of oil that actually we have compare to our neighbors they have petrol like water it is light and just flow very easily for us some of the fields like Halwa (Omani's sweet, it is very thick) you cannot flow it, so you can imagine exploring and developing a field that have very light oil and it flows the way that recover it because it is much easier compare to Halwa in the ground under sometimes you know several kilometers under the ground, so that is what

is the God giving us, now we are here today and it is a booming industry because we have employed technology very usefully, so with a lot of proud that PB is one of few companies in the world who got the achievement and we got because they are I am not going to give a lesson on the oil industry but you can google it very quickly and you can find out but we, so, so the like of Saudi and some of our neighbors for instance they still on the primary recovery you drill you just, your challenge to find the oil and drill it and build the facilities to get it on the surface, while secondary recovery is more complex because if you have something like Halwa it is not going to flow easily which is need to heat it, how you heat it? You actually inject heat into the you know into the reservoir, so the whole thing is much more technically challenge requires far much big skills, more expensive, it takes more time, it takes more facilities and so on but the fact is we concrete that, so technically we are one of the world leaders as we stand today we got thermal recoveries, so you can get very quick idea of simple idea what is it, it is more complex, we got thermal recovery, we got chemical recovery not like others when you have oil on your hands after eat you wash with soap that is chemical recovery because you wishing that oil from the reservoir producing the oil and the chemical to the service and then separating in the service, so you can imagine there is complex thing, now what is the relevance of all of these complexities is because is human beings who are actually producing, at the end of the day the technology needs human beings to actually adopt that technology, so for us, we employed the latest technical with a lot of success Alhamdulillah, so to sustain that in the future all our ability to attract the right talent and to develop them and to retain them in the company, so fundamentally our strategic map is going forward depends on our ability to actually employ our talent frameworks in the right way to actually appointed where we are really need it, understand who is talent, where is required, what is that talent worth it to us, how do we ensure that we develop it and keep it because you know you are not going to do this with expatriates it is too expensive too and the only way to do in sustainable way is to do through Omanis, so as you can as talent getting the talent management framework up-running and solid underpins our strategic directions if we do not do that right our future is going to be expensive, wasting the resources and so on.

**Rayya: that is interesting**

**Rayya: so, when you design the talent management framework, do you involve like different stakeholders' for example line managers, talented employees?**

**IR:** absolutely, absolutely yeh, nothing, nothing we do in PB that is not involve the big organization, so in PB the way that we got something called the matrix organization, so we operate the matrix organization, so we are the functional owners of all people processes but the executions happens everywhere, if you take performance management, your annual performance management, this is me setting the contract and I want to you to do this, this is the task that you need to implement and this is the milestones and so on and this is the way to engage your success or otherwise, so that is your performance contract and then we have midyear check point and end year conclusion of that report and it is documented very, very formal process, it goes to the database, audit and so on, so that is the performance management is part of the talent management framework, now we owned the framework, we owned the tools, we also owned the process, we have also the responsibility of making sure that guidelines and the process are easy and understood and documented and deployed, also we have the responsibility and the accountability to audit the process and make sure the rules are followed but every single function within the PB executed that performance management system, so that is how we interact by definition as process's owners we say how it should be done whether it is talent development, whether is performance management, whether it is pay and that is different parts of the organization that actually is implemented, so it is you know hand and hand.

**Rayya: so, when you involve those different parties, do you have like conflicting views regarding how the talent management should be designed or should be worked?**

**IR:** sure, sure, otherwise it won't be creative process

**Rayya: okay then how do you manage it?**

**IR:** the way, the way that we do it and we can summarize it simplistically, the implementation of course you can imagine would be you know challenging but you have always be guided by what the company is trying to do, if you go back

to that source, what is the company is trying to do and you link your approach because that phase you want to do it, this way or that way as long as one it is enable you it is strategic direction, two is gets the bigger buying, so we have very, very structured governance process, where we actually in fact just before I came to this meeting, I was in what we called the people's skilling committee, so the technical director of the company, chairman of the people skilling committee and the all the function directors are members of this committee and , and including myself and any policies, any change, any human resource, anything, talent framework, processes, policies, remunerations and so on it goes to that body and your structured your body of 9 directors out of 13, so you can imagine, so that is your decision making body although of course we do a lot of the work also the work we propose we get directions from them, so that is how you make your decision and sometimes is not necessary democratic like you have few directors say well we think this but at the end of the day you involve every single step of the way and because of that governance structure set up, it is very high in the company, I mean pretty much I am number one guy and the number two guys the head of the, the governance structure, so you can imagine we got high on the set table, so that is how the decisions are mad, sometimes we disagree with each other and just we call it creative process but eventually through proper governance we actually agree on something and we have review cycles you know we try out because we are working two years we review it.

**Rayya: again to the design of the talent management framework, do you consider variables like age, gender?**

**IR:** so gender no absolutely not, if we do it, if we do consider gender it would be affirmative base I think it is called like you got I think in the company 13 directors, 5 of them are actually female, that is that is you know just by any standard, global standard is excellent in the oil industry you cannot find it anywhere to be honest and that is because our previous assessors take care of us and make sure they when there was female talent, they take care because females are different to males, the oil industry is not female friendly you know I mean most of the work actually you know very rigid environment and so on, so unless you are positively look after your female talent you won't have it, so my job no is to ensure we do the same for the mix generation you know, so that is only distinction we make is actually just look at is the talent pool healthy for female, this is only the distinction



we make but in terms of pay, in terms of job opportunities, in terms of development we never set and say well she is female she cannot do that and whatever, so in terms of age is more practicality, I talk about your talent bench strength, so age comes in the , through you know years of experience I mean is linked, so we do look very specifically at young talent when we develop on the talent development our graduates and we maintaining whole you know step changing in the number of graduate intake from less than 100 to now you know 400 a year, so at the any point and the next few years we are going to have in access to 1,400 graduates in the system because it takes years to development, so the age there is linked to the experience levels and for graduates we have specific graduate development programme that is functionally driven where we have actually petroleum engineers, they have got you know a contract and book you know and log and actions and your mentor, it is all very, very formalized this is new development since about last year because if you manage 100 graduates and then manage 400 graduates is totally different, so to help us we have actually structured graduate programme that is actually can borrow it from Shell and we called it Shell Graduate Programme, so that is the age where actually comes in, so you look after your young talent in very specific way but we do not make distinction in our talent framework that is guy oh is old or that is guy is, it is really years of experience, we are actually we have if you are top, top talent, his progression part is very, very fast compare to the, the not so top talent, so very frequently these days the young people they are you know top talent, very usual you actually you know when I became my first my line manager job, I was not only the youngest in my leadership team, I was also the youngest in the leadership team in which I belong, and I was female, so, age does not necessarily count but experience level and the abilities count more.

**Rayya: that is good**

**Rayya: so, do they have from your experience as director, the talented employees have different needs between young and old talented employees I mean new generation and old generation?**

**IR:** so, the X and Y generation factor, if you come and see me in the December (laugh) I won't only to give you answer, I will give you the results of my own thesis (laugh) because this is my thesis, so I am doing master degree and so there is no doubt, there is difference, there is no doubt, so I am going to study that

because I have two rules of the company, one is people and the other one is change director, so I got two hates and they are fairly distinct and so we I look at one you study change management there is always change resistance and so what I want to study very specifically is there is doubt there are a lot has been written on the X and Y generation and so on, we see it on the day to day and we also see already some elements of it when we think about like our employee value propositions, the world is changing, the old generation likes want the job for life and want you know we see ourselves so loyal to the company even if we are thrown into you know I mean any directors get offer twice package overnight you can go here you know instead of X you get two X and still we won't take it because we are on that generation and the new generation is much more mobile, they, they are much more willing to take risk, they are not too married to the ultimate game when I am in 60 it is more about let me build today what you know what I need for tomorrow already from they go much wiser than ourselves also we see and I do not whether I can call it phenomenal but we are see many more of that younger generation they want to enjoy their life, I do not want to wait until 50, I want to spend more time with my family you know, so more of the work life balance is more acceptable to this generation, so now in our region also we have the entitlement culture which is has also there, so what I want to study empirically doing what you are doing now, look at the whether they call it the, the Y generation or the youth it does not really matter but they collective emotions of the Y generation and its impact on management strategic change, so it does help it? It does it embedded? It does it you know, so I am really excited about it because

**Rayya: so, how these different needs can influence on the talent management framework?**

**IR:** well, I think the first thing and this is the person think this is why I want to study it because we you really read about it but everything you read it is actually far more our region, we have actually our own character in Oman but also we have our own characters in GCC only 40 years ago we had nothing, we woke up one day and we gone having nothing to really you know amazingly a fast development, our kids they have lived totally different life to ourselves, many of Omani families who even stayed in Oman or immigrated and so on, have seen different life even the ones who

were here the base of change was so fast you know for those who never went out, the older generations have seen the development came really fast and have taken something away from it, the new generation they never saw the life you know in 1970 I was living in Muscat and laterally you can see Ruwai because it was nothing in between, our kids have not lived that life, so you can just say we can read about the X and Y generations you know in the world that we can implement it on Oman it does not work that way, so my personal interest is I see there is no doubt there is a link to the strategy and policy and your talent framework and so on because if the old generation would accept trust us will give a job for life and you know when you are 60 will take care of you but the new generation does not like that you won't get acceptance of the policy that we are going to take care of you tomorrow I mean it is going too deep, I mean we need to understand it better to really understand not just the Y generation but the Y generation within the Gulf within Oman and see really how does it influence it is not very widely understood, we understand there is difference, I do not think we see much literature on that specific part, so speak to me on December and I will tell you whether I found that or not.

**Rayya: Inshallh (laugh)**

**Rayya: so, have you seen any positive results of your talent management framework on the employee commitment?**

**IR:** there is no doubt, we proud ourselves in PB to within often stood up and set that, we have not only produced oil for the country, we also produce talent, I think about not even long ago 5, 6 years ago when the, the market in Oman boomed and you could really name the organizations very few that did not have X PB's staff on their boards yeh, so that is probably ones greatest what is the English word? Certificate that awarded from the talent management because I think we still have that reputation, if you want to be develop you go to PB we might not be the highest payers In the oil industry but certainly if you look, if you want the right balance between pay and development this is the way you come. So, in terms of commitment it follows, if people see you as you know as a good employer for development you know and the opportunity and so on, people come to you, so attraction will become much easier we will have no problems

attracting graduates, in fact we are very selective for graduates, so we take GPA just, you have to have certain GPA for certain technical functions for you to work into the our door and then you will go through to other process to actually trying to see who is the leader and who is not the leader, so it has enable us to attract, so you know within, within talent management framework, I think every single part of that we call it value change you see that you know getting the talent framework and the development and so on right, pays often every single one of these, we end losing of our staff I think over the last ten years I counted we lost 1,500 and this is not the you know necessarily, this is your technical engine and leadership levels, once people have been here for ten years, our competitors come and they just fishing them, so we lost 1,500 but the industry has gained 1,500 and just in last 10 years.

**Rayya: so, the main tool to attract the talent is the development tool?**

**IR:** not only the development tool, let phase it in today's world, you have to have all of that, to be very basic your pays is the first thing that people attracted to but even today we do not have shortage of the talent coming away one because is we dominate the oil industry but two our pays is competitive enough it is not the top pay in the oil industry it is not appropriate of our company size is to bit yourself at that level because we have been here for 40 years you cannot really just throw money at it but I think the development one and the development propositions in general, sorry in specific is, is also in attraction tool, retention tool

**Rayya: so, the last question is, has the current talent framework achieved your expectations?**

**IR:** absolutely, absolutely, today you have, so up front absolutely yes, it does not mean we do not have a lot to do is the honest answer but if you look at the company today and we have been around for 41 years since, we have the top level governing body you know all the directors in PB, a body of 14 people, the MDs is expatriate, the rest are all Omanis and that is really significant, so when you talk you measure the success in terms of who is doing the job today, so if you look at the next that is another 1,700 staff totally the Omanisation stands at the 80% you know you have some

deep technical skills that are required and that is why you still have expatriates especially with change of the technology that we have gone for every if we did not that everything will be dominated because we change we then gone last about 10 years, so the whole decision making in the PB is more than 80 % Omanize with really high expectations for the next five years to reach well you know well belong those levels that is to me the measure of the success when you actually have law that enables to be develop and to resume those you know those kind of leadership positions, we develop, we have got one of our talent management framework is, is, is the SEMs framework Subject Matter Experts, so this is our build deep subject matter experts in some certain technical areas, so as I said I mean now our neighbors are only the blast and the oil is not very difficult, our is very difficult, so as we develop our oil we are needing very specific talent and very deep expertise at the moment we are buying it from everywhere In the world and what we are doing here is developing subject matter expert, Omanis subject matter and so you can see I mean the whole thing about the sustainability for the long run but that what I have said it is absolutely done it is job, we got more to do absolutely yes

**Rayya: so, thank you so much for this great discussions and all the best in your dissertations.**

**IR:** wish you all the best, it is interesting topic

**Rayya: thank you**

**Interview with TM Advisor (2) at BA (first Banking sector) 24/04/2014)**

**Time: 10.30 AM- 11.20 AM.**

**Interviewer: Rayya**

**Interviewee: AX**

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**Rayya:** thank you for taking part in this and as you went through the interview guide, the discussion will focus on talent management and how it works in BA

**Rayya:** so, shall we start?

**AX:** yes, yes

**Rayya:** How do you define talent in your organization?

**AX:** (pause) talent in our organization is people who are different than the rest of other people, we have three thousands and 400 people you know, and some of them will be little different than others, when there is different it comes in terms of the skills, knowledge, behaviors and competencies and ect.., is it? And people capability, they will be groomed into different positions cross the bank, right? From the big base of three thousands and 400 of people we can take only certain set of people above right? Because when the bank, we talk about the bank, in terms of supporting them, their development needs to in terms of budget ect... It cannot support three thousand, 400 people right? While we can do training for three thousand people but really we cannot do learning and development for everyone. So, that's what we define talent within the BA context. And the philosophy, the philosophy is very clear to identify, and groom, whom groom talent, whom groom employees. So, typically, focuses on the good Omanis staff who are different than the rest, is what we define talent.

**Rayya:** and, how do you define talent management?

**AX:** okay that is very interesting question. Talent management is very widely used and sort of misused kind of word if we put it that way you know. A lot of organizations define talent management right from the recruitment until exist. So, the entire way of managing employee through his or her life cycle, so what, they call it talent management. For us we call it little differently, for us recruitment is

definitely there but once the people are got recruited, we identification, development of people who are going to develop into critical roles you know into important positions plus people who are you know cross the bank...., that is we call it talent management, so we want to include right from the top to the bottom everyone, there is one population who will be fast track, whose the high potential population, there is another population who will get a lot of training opportunities but not fast track and they will also be part of the talent management system. So, these two put together that what is comprises into the talent management system.

**Rayya: that is interesting.**

**Rayya: so, what are your main reasons for implementing the talent management policy here in BA?**

**AX:** see the philosophy has been very clear for the last almost seven, eight years now, but we want to develop whom groom talent you know it is very difficult for us to go to the market every time and get for the opening internal position, one you know because of the culture issues and because of people will not understand and they will need a lot of time for that and there are a lot of recruitment cost which is involved. So, for A position if I have someone available internally I would rather focus on that rather than spend time, effort and money, ect.. and go outside and now this cannot happen in very unstructured way like this unless there has to be certain methods, that is exactly why we have certain way in doing things through certain framework and take it to talent management framework as we call it, so we know that who's the people are , we know how to identify them, we know how to develop them, and we know how to track the development and we know how to push them up once they have completed development and we know how to push them out (Laugh) if they are not fit into the certain things, we know how reward them and we know how to retain them. So, the entire picture of you know, identifying, developing and managing that days is what is articulated through the framework and that is why it is very essential for us that we have talent management framework and you know we develop five years plan we have started identification of this business right from 2004 or 2005 I think and we have been doing a lot of work and I am not saying we are perfect, we also learn from the mistakes, so if you call it the version one of talent management has started in 2004 and version two has been just started now.

**Rayya: So, talent management has been started in BA in 2004?**

**AX:** oh yes, yes of course, yes, yes

**AX:** and I can probably say that BA is also biases in doing it, one sorry if I am jumping at

**Rayya: no, no, it is okay**

**AX:** one is in terms of the oral practices of government regulations and because of the Central bank and two of our intent of always looking within the organization before we actually go out you know in terms of culture ect, ect..., so that is why we believe it and have talent management framework and policy in place.

**Rayya: that is good**

**Rayya: so, do you think that competition and government regulations play important roles in shaping talent management systems in your organization?**

**AX:** sure, it does, and let me answer it in two parts. Firstly, I will talk about the government regulations, so, our regulator is the Central bank, and the Central Bank has some regulations in place which is in line with oral amended of the government also because they tight to each other to respect that and to adhere to that, a lot of policies have been put in the place also. So, that is the first track. Also, the other things, our own philosophy of looking at people within and looking at local talent within, this two tight together also goes and allocate to the government regulations you know there is certain mended percentage that we need of local population in the bank and we have much adhere on that, and we should have limits is 90%, but now we are actually almost have 93% of Omanis but only there are very very specialized area that you do not get local talent yet so you know, then we have to look outside right? But we definitely make it point to look for people in the local market within the country but if there is no right talent we go outside right? Because you know the business has to continue and we do not have leisure of time to really wait, some areas still, we need a little time that people can be developed but we are working on it, and that is why the policy has just revised and re-implemented now. Okay, that is the first part, the second part is competition, competition right from private sector and definitely from the public sector also because a lot of jobs opining from the public sector now and



salary level is different there and the nature of work is different there. so, it is only by nature, that people want to take that opportunity and not to work in a bank, sometimes because also of you know their own fate they do not want to work in the bank but at least to that extend we have got Islamic banking, so to convince that, people can work there but the only point if someone wants to go, you really cannot stop them. So, yes our talent management practices are based on government regulations, they are based on the competition because also we need to give people some deductions that you are starting today and this is what we are giving to you and X, Y, Z organizations may not give to you, you know these the opportunities that you have and but you cannot decide on what they want to do, so, they will decide what they want to do.

**Rayya: Okay**

**Rayya: so, what influences your organization to adopt the talent management system? Is it for example, the organization's search for status, reputation and legitimacy?**

**AX:** okay, it is definitely not status or branding, we generally have feeling that, even if we talk about the regulations in place but as I told you, regulations came now but we have started that since 2004 in words, so, it is the philosophy that was driving us practice, accidentally the regulations came, accidentally the bank Muscat is not the only bank in the country anymore, so, that is happening side by side and we definitely have in cooperated all the best practices happening cross the world and I can probably say that, we have the sole-scientific approach of assessment center and we use something that we call it nine box and you know this is just to give you some concepts. We involve the line, we involve the management at different levels there is complete governance built around our philosophy, so, I like someone so will be in talent pool and I do not like X that is not the case, It is very structured, there are criteria, and there is overall governance mechanisms, people are aware of it, and people can raise questions. So that is what is influenced us. So, one yes in terms of competition and government regulations and our own philosophy and two just practices in what is happening around, within GCC, within Oman, and cross the globe. So really when you talk about P, and you talk about Shell what they are doing, I do not think they doing very different, conceptually, they are doing I think similar, if you ask me that.

**Rayya: to what extent does the labor market influence recruitment and talent selection?**

**AX:** I put it in two parts, first is, the establishing of government from the central bank to have 90 plus percent of Omanisation right? So assuming that 90 percent of omanisation right? You cannot go out of the country. So you have to target in terms of bachelor, in terms of diploma holders, and also Master so, there are certain number of colleges we can target internally. Second we also work on new journey and what call it graduate management programme you know, so they will go broad but is still in process we will be implemented it shortly. For the remaining 10% who are non-Omanis, the bank has allowed us to go out to for the specialized skills and for the job key skills ect ... that is why we go out, so we will go to any market in the world and will get the right people. So in that case the national does not matter right? So, 10% is cross the world and 90% is localized and accordingly we have got different teams working on the recruitment practices.

**Rayya: so we can say that you are not facing difficulty in attracting specific talent in the labor market?**

**AX:** no, I won't say that because like I said the competition is increased, the government sector is opening new jobs you know put together, the BA is no longer you know the only player like we were in the previous years back, okay we still have a good bank , we still have the respect there in the market, people still do come but there are some other factors which are around, we find it little bit difficult, but still we are managing it (Laugh) and we will manage (laugh)

**Rayya: Laugh all the best**

**Rayya: To what extent do you think that your organisation's culture and structure determines the shape of your TM system?**

**AX:** it does for very sure because the entire talent management principles and framework it is built around on the management's structure itself. so, the top of management levels are definitely drive the oral TM practices and succession management principles if we want to build the culture right from top level to bottom levels, people growing from here to management level four to three to two to one, it should be systematic way of identifying people, developing them, assessing them before they can move to the next level right? So, what is skill we

want? It is like pyramid right? So, before the person move to the top, the person needs all require skills, knowledge and behaviors are required a cross different levels right? so, it does not happen to move from the lowest levels and promoted to top within night, or six months, it takes years to involve the people will be developed to go to the top level, we have started in 2004 and we are reach somewhere and I cannot say we are the best, we are still need to go, so, that is why we are revising and improving the things as we move head right? And yes, management level is definitely driving and it is the key input into the oral talent management framework because we want to identify people right from the bottom and give them enough and more training, development, on the job, assignments, projects, ect.. and groom them , move them , move them, so in the next number of years , when they reach to the top , some them of course will reach not all of them so those people who there, they are really, really capable enough to drive the bank in the future that is the idea.

**Rayya: yeh, Okay**

**Rayya: so, how is your organisation's strategy aligned with your talent management system?**

**AX: okay**, we used to have one year strategy plan, this year we are working on five years strategic plan, so, this is to give you some tips, then still not out yet which I cannot share any information about it right now, but in terms of broadly, in terms of market that we target, let me give you some hypothetical you know, for example, if the bank wants for A you want to go to China, to Africa for the ... right? The people practices, it will challenge, because the challenges the bank that face in the market very different then in the market for the bank that currently operating. So, the bank is currently operates in the middle East, in Oman, Kuwait, Saudi and small office in Dubai and smaller office in Singapore but if you want to go to China, if you want to go to Africa and Iran, challenges are very, very different and very complicated right? So, as HR we need to provide that support to them right?, which also means that the oral talent management practices and succession planning policy should be aligned towards that and what we are trying to do is the structure of management levels to the oral framework, so to give you example may be, if you want to enter different market tomorrow right? Do we have the right people that have the particular movement? And when you say right people, right or wrong are very subjective things. So, whether that person

understand the market or not, whether the persons is having the right outlook to present the bank in that foreign or not, those things which or have we this already internally in the talent pool, if not, so, the strategy is very clear to look from outside, so the business cannot stop right? Yes those functions also will guide, you know the strategy of our talent management policy.

**Rayya: so, what other obstacles might limit the effectiveness of the talent management system here?**

**AX: (pause: deep breath)** actually a lots, see business want results business very, very, numberville, sometimes they lose focus on people you know because if you give me target tomorrow that to go and sell one hundred cards, so who has time to talk about training, development and talent and ect. They do not have time for that you know. Now, if you have a framework keep it for business to follow and forget it about it but if follow you have different approaches, we incorporate the business ....so you can go and remind them that is the things you need to do and we need to focus on, and we need to go together and if there is challenge please let's know, so, that is exactly how would manage it.

**Rayya: so, this is one of the challenges that you face here?**

AX: yes, because definitely businesses sometimes changing completely but if they have to know the requirements because when they go to different countries, systems cannot drive it, people have to drive it right?, the people have been driven by systems in the background, so, also they know that but somebody in those ..... so always to get them involved and consistently handle to them, people are important, people are important, talent management is important for you as little bit challenge. Two again, very relative thing, people you know, if I am selling business in different countries tomorrow you do not have time to attend specific programme that is aligned for me right? How do we handle it? Some organizations handle it in the way, if It is very costly training programme immediately will handle it to call center to get advice , so, my call center will decide whether attend it or not attending it ... so, my question shell I pay for that course or not? We do not have this stick policy whatever the reason, so, how we ensure that? as part of the talent management framework we have to keep the honest of development on the individual and on the supervisors, so, tomorrow if I want to become X, Y and Z I cannot become Y and Z, if I do not finish many things, who

is the responsibility of finishing so many things? I am and it is already inducted in the framework, , so, I cannot come and questioning management tomorrow and say I am here for more than ten years and nothing happen to me, so why nothing happen to you ? So it means there is something you need to complete. These one of challenges is the employee involvement, if the employee feels they are part of the system they will get position and we do not position talent management practices like that we said it is only to give you learning right? the responsibility of learning out of that and becoming available for pool of your responsibility, go through the process and if you fit you move to the next level, that it is how we position it, so, these of the challenges that which we face when we implementing this.

**Rayya: Yeh**

**Rayya: so, who are the main actors who influence the talent management system in your organization?**

**AX:** I am one of them (laugh) because I am absolutely managing the talent management policy framework here, and definitely HR development team, I am sure that you have met Dr. K here, he is the key person, Mr. S is the key person also the general manager of HR and the head of corporate business Mr. W, if you ask me the framework is all the management is people okay? But who execute the framework? The complete bank so, three thousand people in the bank right? So, if I give it to you into steps: there is core HR team who develops and maintain the framework, facilitator implementation, there is group of managers who respective the businesses, top management and of course line managers and most importantly, the employees themselves.so we try to include everyone and overall the regulators because they are the oral head, over side of it, if they see something, they will catch it immediately, so, there is external but, this is how it be.

**Rayya: so when you involve everyone in the process, maybe there are some conflicting views, so how do you manage this conflict?**

**AX:** as I said, I will go back, business wants the development, always challenge on the way how do you manage it we do it by strong governance process you know, if you just leave it as talent management framework to be implemented, it will be never implemented, so, at the first level we involve the

supervisors , the first step of identification of talent is based on very, very, strict criteria, so, the supervisor knows that, when I nominated from my team, so, they aware that xyz is part of the process, and he/ she be released for X period, supervisors also involved with talent rating finalized, the oral heads, group of managers also involved , so all comes to the talent pools , so, all the line managers sit together, so, if, you know, 400 people in that pool, the group of managers will sit and decide each case whether it should 400 is good enough to be there based on certain criteria or we should have 300 Or 200 or whatever so, the number is consistent and the quality is consistent, If all this done, the chief executive operator will involve, you see now from right from the top to the bottom, everyone is getting involve that is the first step of the part of the identification itself, second step once the identification is finished now what happens to tracking, again cross the different levels, different people are involved so we have HR committee, we have what we call it the highest decisions making authority these people ... to develop ect.. ect.. of different groups of people, so, it is very structured , 100% is there? no, but we are still trying and I am sure will be at least you know, somewhere to learn from experience.

**Rayya: so, when you design the TM systems, do you consider variables like age, gender, and ethnicity?**

**AX:** yes, we do, age not really but you know, the best practices said the people should be between 25 to 45, so this is the best practices said, so, we have minimum qualified criteria, one is you know not less than 25 years one because of we cannot put someone who just joins the bank today into the talent management programme, people won't understand the culture, so they have to have solid and prove themselves through the performance appraisal at least. After that we always do the potential rate right? Performance and potential it comes beside and that together go to the talent pool, so yes, definitely we come into some demographics and performance and definitely education and qualification. So, people can be part of that you know that talent pool.

**Rayya: what current tools do you use to attract, select, develop and retain talented employees?**

**AX:** we have a good brand and really a good brand in the market, so, that's itself is selling point but that it is not going to be proposition any more right? So what

also we have career path for you if you wanna to move to cross functions or join Islamic branch we have also, if you wanna to be in the future in higher position you can also to become the most senior person in the bank provided you by a lot of things, so we give the valuable opportunities to the employee which is not money, which is definitely not money but people should think and understand because today for example, I give you 100 OMR salary and some other organizations will give you 500 OMR salaries but that organizations will not even tell you whether if you have the opportunity for moving up, how you can move up, there are number of training opportunities available you know. In fact I can share that with you, the kind of training programme that we have for our employees, I do not think others have it in terms of budget and number of programmes you know, leadership programmes, I am talking about pure, pure skills based training programmes almost 400 programmes in one year, so, that is what we differentiate us, so people you know they have to understand it.

**Rayya: So, to what extent are these tools are successful?**

**AX:** very successful so far, shortly we are working on graduates programme also, so we will see how these programmes if it will add value and we will see, it is question of time

**Rayya: How do you measure the success of these tools?**

**AX:** one is in terms of how many people we are going to attract you know so like I said 90% of our base is local population right? But we do not know whether if we can maintain the 90% or not? So, actually we are 93% so, this is for the last six, seven years ... so it is very successful and it is question of time if we also need to work more and meet the deadlines. As far, there is no issue.

**Rayya: so, to what extent does your TM system impact on employee commitment?**

**AX:** let me put it in this way; see how do we measure employee commitment? We have survey which we do it every year right? and we have specific questions which we ask on training opportunity and career opportunity ect ...so, I cannot say people 100% are satisfied because for sure, there are areas of improvement and some people who are not satisfied for their development but broadly they are understanding what we are doing. So, for example we have branch manager

programme which gets 250 people in the bank in the branches, we have head office programme which gets 100 or 150 people ...so, when people see value on doing these kind of programmes, so, the results are very successful, so if you ask me tangible number if satisfied or not ...honestly I cannot give you the exact number you know but broadly speaking where we can improve, I think we can.

**Rayya: So, at the end, do you think that the current TM systems have achieved your expectations?**

**AX:** honestly and I think from where we started long way and in 2004 we started of the number of graduates in the bank, the number of PhD holders in the bank, ect.. And the numbers of employees who hold key positions have increased that and past nine, ten years have been filled by people who identified as high potential. So to me that is measure of success and can we do better? I am sure we can but it is question of time but you cannot do things overnight it takes time. So, just to give an example again, see for example, a lot of managers currently have been identified in the past in the talent pool right? People who are heading functions abroad in different countries now in the bank Muscat, they are part of this pool, people who have intuitive in interesting projects cross the different parts of the bank, they are part of this pool, so to that extend yes, can we do better? I am sure we can.

**Rayya: Thank you so much Mr. AX and wishing you all the best in developing talent management system at BA.**

**AX:** thanks Rayya and also I wish for you all the best in your study.

**Rayya: Thanks, bye.**



## **Interview with HR manager (First case-study Petroleum company-PA)**

**Date: 11/06/2104**

**Time: 60 minutes**

**Interviewer: Rayya**

**Interviewee: AK**

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**Rayya: thank you so much for taking part in this research and all the information that you mentioned will be treated as confidential and anonymous.**

**AK: Okay**

**AK: my name is AK; I am HR and administration manager in PA petroleum.**

**Rayya: Mr. AK could you please talk in brief about the history of the talent management strategy here in the company?**

**AK:** actually I am in the company almost now around six months, I used to work in oil industry and also I worked in banking industry for quite some time and my total experience around 20 years. I worked in operation and I work in HR sometimes in investment. So, I have multi-skills in different areas but my focus for the last I can say now 12 years in HR mainly HR and different disciplines in HR, I worked in compensation benefit, employee relation, policy, also in training and development, I worked as training manager in many areas in some companies like I used to be in national bank of Oman as instructor and I was the first Omani instructor and that was in 2002 and also I worked in Doha bank outside Oman as training manager, then I came back from Doha in 2004 and 2005, then I worked in the private company looking after training Omanisation in HR, this mainly about my experience in the area of HR. HR is very good area to work in and very interesting because dealing with people as you know, it is not easy , it requires a lot of patients, require a lot of to be more innovative, to be more friendly with other people, we always telling technical people that dealing with machine is totally different from dealing with people because people are not all of them the same, different has desire, different objectives to achieve... and

how to put that in one to meet everybody needs..... if we talk about the market particularly in oil and gas industry, there is actually I can say a talent war I used the word war because as you know 80% of Omani income and government revenues from this industry. So, [P] used to be dominating oil and gas industry because there were no other competitors that was long time ago but now there are many companies foreign and even local companies like our company which is ... (pause) as you know the oil industry is booming where we moved now from the primary exploration and production phase, moving to secondary phase and now even bigger starting talking even OIR enhance the Oil companies which is more advancing which requires a lot of talent and that is result in you have to have skills set what we call (pause). So, we have to have talent who can run this. So, we are moving from traditional way discovery to more sophisticated way in oil companies, I mean the companies are trying their best to attract talents even though it is hard especially in some field in some areas of disciplines like for example in petroleum engineers and in engineering, in geology.... The main concern of most of the oil companies and I think also other industries not only oil and gas is how to retain their talent, there is a lot of opportunities in the market, Omanisation also leading the market because ministry of oil and gas and ministry of manpower are trying level best to increase Omanisation percentage in the oil industry and set it as 90% as you know 90% is quit high to achieve, I mean our company is close to that even we are 88%, we may reach to 90%. We are trying our level of best to attract talents. So we have one pool which is [P], so everyone is fishing form that pool (laugh) and we competing heavily on that because on the other hand Omanisation is demand by the ministry and in other hand we have shortage of talents in many disciplines. So, it is quit I think, if we talk about retention, I mean we are trying to enhance our KIP as I told you, enhance what we call it employee value proposition, we are trying to give our employees the best in terms of and also we have introduced the retention scheme called (Walaa) at three years of retention scheme, so, that will try to retain our employee especially the high talented and even in that scheme we are trying to differentiate between skills because sometimes I mean how is that base on , it is based on the skills scarcity in some areas but in other hand like the support function for example there is no scarcity but there is but not that significant, so, that is why the scheme is designed , the scheme is monetary scheme is paying cash for three years, if somebody leave in between the three years he will....despite we

have introduced this thing we still have some people who are leaving because the other competitors are trying to attract. The other side also beside the retention scheme we have introduced some benefits in terms of medical insurance, we call it health insurance and also, education system to our employees' children and that has re-impact, something new that have it into the company.

**Rayya: thank you**

**Rayya: so, how do you define talent your organization?**

**AK:** talent as you know, it has different how you look at it , is talent means, the high flyer somebody who is doing more than expected or the person who is (long pause) because we are trying to link it to the productivity, how the person is productive, how the employees taking the initiatives, how the person is trying to develop himself because some time you know you get some people who having High GPA, we recruit them through the graduate scheme and I am going to talk about that scheme and then you recruit that person after a while you discovered that he is not motivated and not able to be what we call, not trying to improve his capability because may be some people are good at the theoretical part of the study which is particularly sometimes are difficult at the same thing we are trying to develop people, if I talk for example about the we have introduced last year something called fresh graduate scheme, sometime we name it new professional, new entrance, it is started first be

### **He is explaining on the board**

**AK:** what happened first, if we talk about selection criteria or... we are putting high standard in terms of GPA it is not less than 2.5 by the way this is cross the industries, if we talk about GPA , the assessment center where we are assessing the people according to the criteria, specific criteria and then we do interview, people do sometimes psychometric test which is required. Then after selection, the employee will be recruit as fresh graduate, so, we introduced a model where trying accelerate his decoration over four years programme, broadly is, when the person join us for example in the first year there are certain competencies, he needs to achieve it, if he, he will be assessed at the first because he will be what we call recruiting as certain grade. Usually first graduate and also we are trying to give some monetary incentive for people who are GPA above 3. So that, he will be differentiated from people who are below 3 because you know our line

between 2.5 and above and if you assessing according to the certain competencies you know the competencies for each job, suppose if we recruit somebody as petroleum engineer, there are certain competencies for the first year and then if he will be assessed, then next year he will be move to another grade like promotion for him fine! Then also there is a setup of competencies he needs to achieve and also he will be assessed and in the third year and fourth year, so, first year, second year, third and fourth he will stay two years for this where this is the major because he will move from this scheme to be as development professional, so he is moving from stage through developing professional okay!

**Rayya: so, you include everyone?**

**AK:** all graduates that we recruited for this scheme

**Rayya: but in the second stage, do you filter them?**

**AK:** yeh definitely, if he achieved this competencies and he being assessed by assessors, we have a panel who are assessing these people and the final year he has to do to show us a project and that project may be he worked with his boss or his line manager and project and he has to do a presentation, then he will be moved to another grades. So, the employees moving from one grade, second grade and third grade in the four years, that is why you say accelerating his progression. So, when he leave here and he is fine and no more he is fresh graduate and he is developing professional, he is professional man, he has to compete with rest. So, these the stage where you are move, we training people far from academic where he spent around five years or four years depends on where he graduated to something which is similar for four years, then he can join, this was introduced actually last year, we started apply it, we have a lot of people in this programme.

**Rayya: so, your talent management policy or your talent management system has only this programme or you have other programmes for advanced levels?**

**AK:** we have, this is one of them, let me talk you about other programmes. Now, we introduced something in all functions, we are doing competencies for all jobs. Suppose your job is for example reservoir engineer, what are the competencies

required for reservoir engineer because you know reservoir engineer as levels I mean grade A to grade for example C, so three grades right! So for A for example you have competencies you know the competencies what we call assessment should be awareness, skilled and mastery, there levels when they are doing it the assessment. For example, at this grade I want you in this competencies X, Y,Z to be for example awareness but in this competency I want you to be skilled, so he will be assessed also and he can be promoted to second grade because we have certain skills and as I told you at the beginning because market has lack of skills in some areas in oil and gas industry like enhance oil recovery OIR like water flooding like for example water injection so many things, so required certain skills or a lot of training and also we sending people abroad as to do some courses specialized courses and sometimes we call the, if you find training suitable you and we have group of people you can say five or six or ten then we call the trainer and do the training in house, so we have in house training and we have also overseas training, this about technical. We have also for non-technical for example if I talk about HR and our functions like for example finance we encourage people to do a professional certificates you got my point?

**Rayya: yeh**

**AK:** like for example, for HR we encourage them to do CIPD, for finance for example we encourage them to do ACCA what other things CA challenges of accounting and so on, we encourage them to do this and sometimes we got as pre-request if you want to move to the section head or to high level.

**Rayya: so these kinds of courses or certificates will be given for those who show their talents?**

**AK:** yes exactly for talented

**Rayya: to do these professional courses?**

**AK:** yes, yes

**AK:** I will talk about the succession planning, for example cpl contract in the logistic, there is certification, this is one thing and we have another thing academic also as I told you in the beginning we have academic qualifications, of somebody who left or join us and he has for example bachelor degree, then he can do what we call complete his study for master degree or PhD and there is

condition, so, certain conditions I mean, in the bachelor degree, he has to link his study what he is doing for example, he has, if somebody who is petroleum engineer, want to do finance, it cannot be, he has to do in his field, I mean has to be link to what he is doing. So, we have bachelor degree, diplomas sometimes we sponsored people and also what we call, master degree, PhD we do not have so far anybody and these three your company paying 90% and 10% will be from you, why 90-10 because you want him also to own it, so, that is he will take it serious okay! If you tell him I will 100% people won't take it serious, you mentoring this and you have also our training department trying to make sure those accreditation of these universities are in the high standard sometimes we use the ministry of higher education to make sure that this university is well recognized globally I mean okay! This is one of our schemes we have and there are certain conditions because one of the condition at least if it used to be three years I mean if you spend, if you already completed 3 years in company you will be entitled but recently I back to that to the management and I already talk to management and the shareholders we reduced to two years now and we are planning to reduce to one year and after that also they have to sign up a bond if he resigned or left he has to work or otherwise he has to be out as....if he did he is bachelor degree he has to spend three years, Diploma two years after graduation but for the certificate for example, ACCA or CIPD all these, it is not because it is pre-request for some of the areas that is why we paying 100% and there is no bond for to have serve the company after graduation okay! Anything I miss?

**Rayya: no, thanks**

**Rayya: so, what are the main reasons of implementing talent management strategy here in your Company?**

**AK:** I mean see, we cannot depend on other people or other talents in the market, we have to build our own talents and we are trying to increase the graduate intake every year for example last year we recruited around 20 fresh graduates before that we introduced less were 10 and this year we although we have 16 fresh graduates because we have to have jobs for them first of all, if we build and if we do for example a study people who join as fresh graduate and senior sometimes if you talk to them, they will stay in the company and from the leave who got an offer here and trying to fish an offer for them and ...just for money but sometimes they fresh graduates, they still fresh they trying to what call it, help them, keep

them focus in the business and more incentive, take care about them they will stay for long and this is proven in the market.

**Rayya: so, the main reason is to have the talent management system is to develop your own talent?**

**AK:** exactly, yes to have our own resources and also if I talk about something called succession planning we are trying to link that to the succession planning, you know succession planning I mean especially for key positions for example if I have, it is part of manpower planning, if I have somebody who is for example HR manager my position and I want to see after couple of years who can replace me after retirement, somebody move or resigned, then we have somebody that is where hearing coaching

**Rayya: okay, so you are trying to link the talent management with succession plan?**

**AK:** yes, exactly because we have something called CEP we can see his potential, this guy, what is his potential okay! If for example, X, Y, Z he has potential to be a manager after five years, so we start with him from now, how is that? Because we are assessing him, I see his work, I see his performance because of we have performance system can what we call assess the people and see their performance (long pause) this is how the succession plan is linked to the manpower planning and sometimes people feel confident when you told them that usually succession planning is confaditional but we are trying to link to the people to the talent person that tell you have career path, it is linked to their career path, so this year you are at this level and expecting you after five years because you are very high potential, sometimes we call them raising star, people who move fast and they can take leading the organization, yeh, I remember something we have something called leadership programmes we have two types of programmes because as you know there are two classes for here in career you want to be leader, you want to lead a team or you want to be technical and you can assess the potential for the employee, is he talented in leadership, he can lead people, he has leadership skills or leadership qualities or he can be technical, sometimes difficult may be he has both you know if he has both, so we are trying to concentrate on two ways, training people in technical and training people in leadership. We have two leadership programmes every year which is

targeted two groups of people, we have emerging leaders and we have experienced leaders, emerging leaders aim to these people who are, we are planning them to move them to for example section head or team lead and this experienced leaders for managers and above, this year programme designed for [PA] but it took for example last year around but not completing I mean every month we have model and put them into different models, we are trying to , myself I was in this experience in the experienced leader last year, we have around 15 people graduated last year in this programme and we keep repeating as long

**Rayya: so, what are the specific criteria for these two programmes?**

**AK:** we have criteria of course, the first thing is the performance, he should for the last three years performance management at least three years in the company, grade at the certain grade okay! And he has CPI potential okay, this one at least he is a manager position or senior professional or team lead okay! And performance, he past performance and number of years (long pause)..... we are potentially our main focus for the talents, so we develop people, first year we recruit people, we develop them, motivate them and you compensate them or reward these the main criteria we are trying to be as business HR partner, trying to help them feel a part of the company and encourage them to bring new ideas and new innovation ideas. For example, if we talk about the retention scheme (Wala) it is something new in the market and there is no such scheme in the market at all. The other things we are trying if we talk about rewarding and compensation, we have something called free interest loans for housing okay! For example car loan, free interest.....this part of compensation and benefit.

**Rayya: that is interesting (laugh)**

**AK: yes (laugh)**

**Rayya: could you please tell me how the competition and government regulations play important roles in shaping of the talent management system in your company?**

**AK:** I do not know if positive or negative, sometimes people see as negative but it is really positive because our government is trying to push us to recruit Omanis and if there is no for example percentage I mean there is no percentage set for Omanis, then definitely Omanis won't get opportunities to be or look after and



that is I feel is good but the other things as I told you in our previous speech we need to have professional course, we are currently MOM we are using different course which is not realistic in the market as I told you for example reservoir engineer or production technologist it is not exists in their list but if we have it, if we have all the titles in the MOM's book than definitely will be easy to do a planning, we can send to the qualities universities and tell what is the market shortage and so on.

**Rayya: so, the government regulation has influenced positively on your company?**

**AK:** definitely positively and we are trying to reduce the expt rate and push Omanis to work. Now, is the ball in Omani court, they have to take the lead and initiatives and they pull the socks and there are a lot of opportunities because we have to change their minds set or the way of the thinking, businesses usually I mean in the private sector is totally different, I mean you have to give a return and you have to give what we call (pause), they have to be productive, if they not productive definitely you cannot be successful. Production and I mean you have to have to add value to the organization, if you do not add value then definitely you won't get your chance.

**Rayya: so, to what extent do you think that the organization's culture and structure determines the shape of the talent management system in your organization?**

**AK:** yes it is really very interesting and that is really very good question, actually as you know we are trying to embed performance culture, if you are performing will take care about you, if you not then we will give warning, we will give alerts please you need to focus you need to what we call it you need to take the initiatives you need to do a lot to work hard you know. So, one of our culture in the organization is performance based culture, you have to perform, so, that you will give this one thing about performance. The other things also, our culture is we recruit people, we are trying to get the best talented in the market, I mean we do not have the something you know (wastth laugh) like some other, we are doing a lot of assessments for people when screening, shortlisting and also selecting people using the best practice available in the market. The other things is the about the compensation and benefit, we are trying to be a very competitive in the

market in terms of pay, in terms of reward and others, so we are doing for example, a salary survey every year to bench mark our competitiveness in the market, how we are competitive that helps you to be on track every time.

**Rayya: okay that is good**

**Rayya: so, how is your organization's strategy aligned with your talent management system?**

**AK:** again please?

**Rayya: how is your organization's strategy aligned with your talent management system?**

**AK:** if we talk about the strategy you know, a company has for example a vision where they want to be and that is vision is communicated to our employees in the company and if I talk about HR, from HR point view or HR perspective, we are trying to align our policy, procedures whatever we do with the vision of the company or the strategy. So, our strategy should be moving praller with, should not contradict with the company's vision. If we talk about talent, talent is one of our key elements of our strategy and one of our choices, one of our strategies is to be employer of choice. So, that the will be well-known in the market in terms of what we call performance, in terms of development also, we are trying to have sort of system and that is one of my vision in the future, one of my vision is to have HR as to get accreditation one of the best company in oil industry who are developing people, you know the IIP, investing in people to be certified, that one of company certified investing in people and we are trying to link whatever development we give to our employee to their performance, we trying to study because until now, there are a lot of companies doing it what we call training for them, we spending a lot of money but nobody for example took the intuitive what is the returning on that investment yeh! This is one of the key thing we trying to manage in the coming years, how to see that our investment in training has added value to our employee, if you able to measure that that is will be a good achievement. So that any banny or Baiza spent on people that has to have a return in many ways of course in production as you know the oil industry is facing a lot of complexities as I told you at the beginning, a lot facing of complexity, so, we need talent people really

**Rayya: such as the complexity that facing?**

**AK:** if we talk for example about the exploration business and production business as you know we are moving now from the primary exploration to secondary and now we are moving to OIR, so, a lot of complexity I mean in 40 years back Oman on the go and do exploration for oil just turn the wall and the oil will come, now it is not, it is different, you have to do for example you have to reservoir management, you have to do, even pumps for example it is flow or....it requires a lot of talent engineers to do it in smart way and also in efficient way, efficiency you talk about cost, time and money.

**Rayya: so, the conditions of the Omani labor market is influenced you in terms of types of recruitment, in terms of selection?**

**AK:** it is for example, let me share with you I have around five I can say hot jobs, they are not available in the market, very highly demand, if you talk for example about the process engineer for example if you talk about reservoir engineer if you talk about production technologist, if you talk about production geologist, development geologist, they are very rare to get Omanis in the labor market even if you get them, sometimes they are demanding a lot and can you imagine that somebody has experience of five years' experience he is looking at salary of 5,000 Rials (laugh) and we cannot do it because of scarcity people are not available in the market, sometimes push our (pause) our pay to meet the pay requirement to get those people as I told you government is trying to encourage to go for Omanisation at 90% at the sometime I am not finding Omanis who is can do the job, so I am like sandwich you know (laugh) you are in between what to do. So these of the how HR can add value in the future because HR has to had a value because the line managers I mean the HR responsibility how to resource by using ways that we can get it and we are working on this, of course we have to work as team, I mean it is not only HR responsibility, also the management and also shareholders because we have to create to tell what is the market reality to those people, so they can make decision and give them what is exactly happening in the market and how we are acting and definitely we are changing to arrive to the best the company do.

**Rayya: so, what are other obstacles that might limit the effectiveness of the talent management system in your company?**

**AK:** as I told you the first one is the scarcity I mean the shortage of skills no doubts are there and the other things the people mind set I mean sometimes you cannot, they saying you cannot have the cake and eat it (laugh) I can give development, I can give you education but in the turn I want you to work and produce and productive and return it to the company, this is the main thing or the main theme I can say in the coming years. Return on investment on training this is one of theme HR needs to address and other things the economy growth as you know the oil price is very good and attractive but people look at it differently if you have talent people and say and I got that message from one employee saying if I am not moving now and getting better opportunities and the economy now is good, when can I get? So, they are trying to move from one job to another job to enhance their packages, trying to fish here and there, this is one of main thing which is facing the HR and also if you talk about the competency based, we introduced those competencies for example, now when we come to apply it okay! Sometimes people hesitated to be assessed and tell them you have weakness here, they are neglecting to that and how the people can accept that I mean okay I want to develop you but I want you to do in certain methodology, it is not ad hoc bases you have to go certain levels.

**Rayya: so, who are the main actors in your company who influence on the talent management system?**

**AK:** it is what we call it is joint effort definitely the HR is the owner of this and the line managers also the owner, so, so we have to work collaboratively

**Rayya: so, these are the main actors?**

**AK:** yes the HR and line manager

**Rayya: so, do you involve the talented employees as well in designing the talent management programmes?**

**AK:** nooot but sometimes we can do survey you know how is there feedback on it but so far we are not reaching to that level, we are not at the level yet it needs a lot of things need to be done, a lot of things need to be achieved in the company.

**Rayya: so do you have like conflicting views regarding the talent management system?**

**AK:** yes it is there always and there is hot discussion is always there between the line managers because sometimes the line managers they are trying to do a short cut and you know there is no short cut in the success, if you want to be successful you have to move through different areas and this where the conflict started, it is for example if you are line manager and I am HR and trying to push somebody for example to the high level I am telling him no it is not the right way, this is not the procedure or policy saying, then conflict starting, then we came up with acceptance sometimes we do step out of the policy (laugh).

**Rayya: so, how this conflict influences on the talent management system objectives?**

**AK:** it has definitely, short cutting and trying to avoid going through policy and procedure set by the management HR has impact.

**Rayya: so, how this?**

**AK:** but sometimes you need to take business needs, what is business because most of these driven by the business and by the market, what the market is, market is driven and you have to be in hand with market and if the market is moving this way and you are in the opposite way you cannot achieve anything.

**Rayya: so, when you design the talent management system do you consider variables such as age, gender and ethnicity?**

**AK:** yes definitely talent management is mainly for new generation and for the because these are the future of the company and these we are concentrating a lot, I mean if you look at it for example our training budget most of our investments is to those segments to those people especially when the time that scheme the fresh graduates we spend a lot of money

**Rayya: so, the best practice for the age is between 25-35?**

**AK:** yes I can say that because when you reach 40 will be almost senior professional for another programme.

**Rayya: to what extent does your talent management system impact on the employee commitment?**

**AK:** it has an impact definitely because if you have a something which is what we call if you have a framework it can be used as guide, structure way we can say, if you have something structure for example if you join my company and I told you R see I have a programme for you for three years, you have this, this, so, there is clarity here, so, you trust me yeh this is very interesting thing where if you do not have structure way and somebody joins a company you keep asking you where are you going, what is my career path, so, many questions, so, if you have I mean all companies have such things especially for graduates because we have a lot of graduates everywhere number of graduates is increasing every year, so, we have to increase our intake of graduates for future even sometimes you do not need them now but you need them later. So, for example, also for retention if tomorrow, if we have one or two people who are for example in one area and those people decided to leave us and I do not have replacement for them so I will be in trouble definitely. So, we have plan it, so we have two people, I have to recruit three or four people who can replace at any time because sometimes we getting situation where is arresting arms, somebody say I will leave if you do not do this but if I have a replacement I will okay fine I can help you give you whatever according to my policy, according to my rules and regulations but if not sorry you can leave.

**Rayya: so, have you seen the fruits of the talent management programme in your company?**

**AK:** I am very optimistic, fruit will definitely because this programme is recently introduced I can say one year old but it will come through, I can say from that from employees, I mean so far we lost one or two talented graduates

**Rayya: so did you know the reason why they left?**

**AK:** (pause) there are many reasons one of the main reason they said that we are small company and the exposure we have is limited where some people who are fresh graduates left us they want for example to P and P is big organization, there are a lot of things to do because they are so many directors, they are dealing with oil and gas study center, so many things, if you not doing well here you can do but even though [PA] is growing in the coming years inshallah, definitely we have opportunities for us but some people they prefer to go to [P] for example for study, further studies which is full time which we do not and it is difficult to

introduce it because for so many reasons, so studies, also different exposure and sometimes money, we are trying to do to benchmarking of our compensation or reward system every year especially for graduates who are the best to ensure that we are competitive in the market, sometime leadership plays role, sometimes employee comes work under you and he is not happy at the work, so we have two options either to remove that leader (laugh) but it is always difficult (laugh) so this is one of the reasons, I mean we are trying to help people to understand, even if somebody resigned we are trying to set for interview and we are trying to know the details, sometimes we use other people not line manager doing the interview and record that cases and may be sometimes people who leaving us trying to tell us that we do not know, we do not look at it, it is good for us you know, so trying to correct for our policy and vision to be align with, I mean unfortunately in Oman we do not have research center yet in HR this is one of things, we do not do a lot of research and personally tell you I am encouraging people from other universities, the university should come and do research for me and I am ready to help them because sometimes research tell you something that you do not know which is good yeh! For cooperative and help you benefiting getting your degree and I am benefiting to solve my problem (laugh)

**Rayya: thank you so much MR.AK for this great discussion**

**AK: thank you Rayya**